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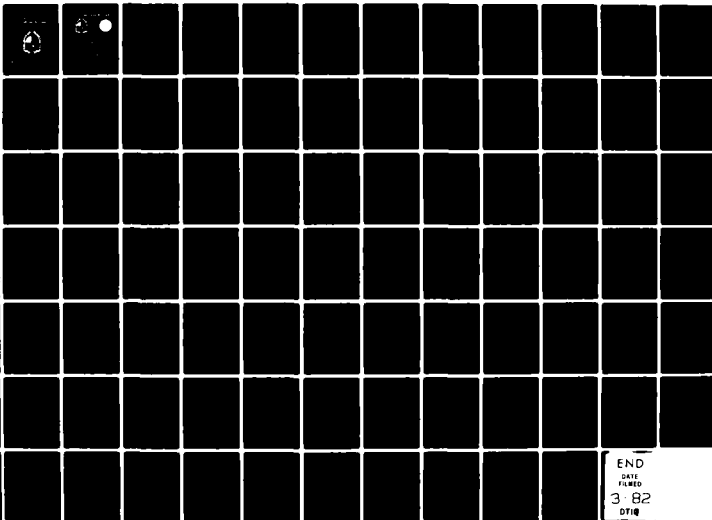
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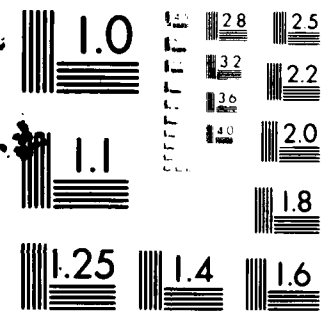
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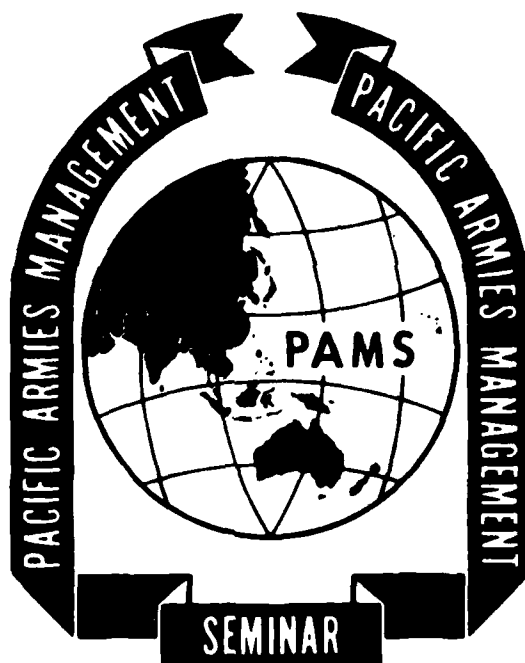
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FINAL REPORT

PACIFIC ARMIES MANAGEMENT SEMINAR II

16 - 20 APRIL 1979

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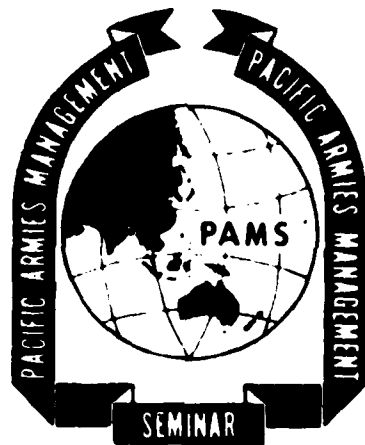
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PACIFIC ARMIES MANAGEMENT SEMINAR



**HOSTED BY
MAJOR GENERAL HERBERT E. WOLFF**

**COMMANDER
UNITED STATES ARMY WESTERN COMMAND
FORT SHAFTER, HAWAII 96858**

**SEMINAR CHAIRMAN
COLONEL NOLAN M. SIGLER
DEPUTY CHIEF OF STAFF
UNITED STATES ARMY WESTERN COMMAND**

9-11-62

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PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

HONOLULU, HAWAII

PARTICIPATING COUNTRIES

Dominion of Fiji

Republic of Indonesia

Republic of Korea

Malaysia

Papua New Guinea

Republic of the Philippines

Republic of Singapore

Kingdom of Tonga

Kingdom of Thailand

United States of America

UNOFFICIAL OBSERVERS

Commonwealth of Australia

Japan

Islamic Republic of Pakistan

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PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

HONOLULU, HAWAII

NAMES OF DELEGATES

PACIFIC ARMIES MANAGEMENT SEMINAR

DELEGATES

AUSTRALIA (Observer Status)

Mr. S. G. JOHNSON, Science Advisor, HQ, 1 Division

Maj Adrian D'HAGE, Australian Army

FIJI

Col Robert I. THORPE, Cdr, Royal Fiji Military Forces

INDONESIA

Col RINTO Sulaeman, Director for International Cooperation, Ofc of the Asst Chief of Staff for Planning and Budget, Army Headquarters

Lt Col Ary MARDJONO, Asst for Planning to the Chief of the Army Materiel Service, Army Headquarters

Lt Col SURYANTO Suryokusumo, Chief of Personnel Policy Formulation Bureau, Ofc of the Asst Chief of Staff for Personnel, Army Headquarters

Lt Col Donnie D. PEARCE, USA, Chief, Army Division, US Defense Liaison Group, Indonesia

JAPAN (Observer Status)

Lt Col Akihiko KURUSHIMA, Personnel Department, Ground Staff Office, Japan Ground Self-Defense Forces

Lt Col Mizuho KOIZUMI, Researcher, Financial Education Department, Administration School, Japan Ground Self-Defense Forces

Col Hubert K. BARTRON, USA, Cdr, US Army Garrison Honshu, US Army, Japan

Lt Col William E. CATES, USA, Mutual Defense Office, Tokyo

KOREA

Col Young Chul NOH, Chief, Training Support, Deputy Chief of Staff-Training, HQ, Republic of Korea Army

Lt Col Sung Kang PARK, Chief, Automatic Data Processing Section, Deputy Chief of Staff-Logistics, HQ, Republic of Korea Army

KOREA (Continued)

Maj Jong Sung YOON, Program Development Officer, Deputy Chief of Staff Plans and Comptroller, HQ, Republic of Korea Army

Maj Jung Chul PARK, Personnel Management Systems Analyst, Deputy Chief of Staff-Personnel, HQ, Republic of Korea Army

Maj Joseph P. SAFFRON, USA, Supply Assistance Officer, Army Assistance Office, JUSMAG-Korea

MALAYSIA

Col KONG How Weng, Cmdt, Military Training School (LATEDA), Malaysian Army

Lt Col ABOO Samah bin Aboo Bakar, Staff Officer, Armed Forces Staff College, Malaysian Army

Lt Col HARBANS Singh, General Staff Officer-1, 3d Division, Malaysian Army

PAKISTAN (Observer Status)

Lt Col Mohammad SADIQ Khan, General Staff Officer-1, Military Training Directorate, General Headquarters, Pakistan Army

Lt Col George CROFOOT, USA, Ofc of the Defense Representative - Pakistan

PAPUA NEW GUINEA

Lt Col Lima DOTAONA, Cdr, 2d Battalion, Pacific Islands Regiment, Papua New Guinea

PHILIPPINES

Col Edgardo A. ALFABETO, Asst Chief of Staff C3 and Acting Director for Operations, Training and Organization, Philippine Constabulary

Col Cesar F. TAPIA, Asst Chief of Staff-G1, HQ, Philippine Army

Col Dalmacio G. PIZANA, Jr., Asst Chief of Staff G6 (Comptroller), HQ, Philippine Army

Lt Col Herbert G. THOMS, USA, Plans Officer, JUSMAG-Philippines

SINGAPORE

COL Jimmy HOW, MD, Asst Chief of the General Staff-Personnel, General Staff

SINGAPORE (Continued)

Maj YEO Kok Phuang, Cdr, Control of Personnel Center, Republic of Singapore Army

Capt LIM Swee Say, Project Officer, G4, Ministry of Defense

Col Harry L. F. CHING, USA, US Army Attache, US Defense Attache Office-Singapore

THAILAND

Lt Col CHOOCHART Hiranraks, Chief, Management Section, Office of the Army Comptroller, Royal Thai Army

Lt Col HANTOE Jotikasthira, Branch Chief, Directorate of Personnel, Royal Thai Army

Capt VAN Anand, Training Liaison Officer, Education Division, Royal Thai Army

Col John F. BEHNEMAN, USA, Chief, Army Div, JUSMAG-Thailand

TONGA

Maj Fetu'utola TUPOU, Cdr, Tonga Defense Services

Mr. Tu'a TUPOU, Deputy Secretary to Government, Ministry of Foreign Affairs, Tonga

UNITED STATES

--US Army Materiel Development and Readiness Command

General John R. GUTHRIE, Commander

--Department of the Army

Lieutenant General Edward C. MEYER, Deputy Chief of Staff for Operations and Plans (Chief of Staff, United States Army, Designate)

Col Patrick B. O'MEARA, Chief, Force Structure Management Division, Office of the Deputy Chief of Staff for Operations and Plans

--US Army Military Personnel Center

Major General Charles K. HEIDEN, Commander

--US Army Command and General Staff College

Col George A. BERG, USA, Chief, Management Committee, Department of
Resource Management

Maj Joseph L. ZEHNDER, USA, Author/Instructor, Management Committee,
Department of Resource Management

--Fort Bragg, North Carolina

Lt Col John H. REDD, Jr., USA, Staff Officer, Security Assistance Training
Management Office

--United States Army Western Command

Major General Herbert E. WOLFF, Commander

Col Charles C. SPEROW, Chief of Staff

Col Nolan M. SIGLER, Deputy Chief of Staff

Col James F. MCCARTHY, Sr., Deputy Chief of Staff for Operations and Plans

Col Robert J. McCAFFREE, Deputy Chief of Staff-Comptroller

Col Emory W. BUSH, Deputy Chief of Staff Reserve Affairs

Col Robert J. WALLACE, Assistant Chief of Staff Automation Management

Mr. Wilfred J. CURLEY, Assistant Chief of Staff Procurement

Lt Col Thomas G. THOMPSON, Division Chief, ODCSOPS

Lt Col Charles L. GORDON, Staff Officer, ODCSOPS

Lt Col Patrick J. KIRWIN, Staff Officer, ODCSOPS

Lt Col Richard HERRMANN, Staff Officer, ODCSLOG

Lt Col Sidney E. LANDRUM, Staff Officer, ODCSOPS

Lt Col Ronald D. TURNER, Staff Officer, ODCSOPS

Lt Col Frederick L. WILMOTH, Staff Officer, ODCSOPS

Mr. Larry K. HOLT, Plans and Management Specialist, ACSAM

--Pacific Command

Col Robert L. GERMAN, Chief, Security Assistance Policy Division

Lt. Col Ted J. FERRING, Staff Officer, Security Assistance Policy Division

--USASAC Customer Relations Team (PAC)

Maj Jerry L. HARVILLE, International Logistics Representative

--25th Infantry Division

Maj Ernest HARPER, Chief, Division Data Center

Maj William K. HALL, Fire Support Officer, 1st Bn, 13th Arty, 25th Infantry Division Artillery

--Hawaii Army National Guard (HARNG)

Col Solomon W. KAULUKUKUI, Staff Technician, G4 (Logistics)

Col Charles M. WILLS, Jr., Comptroller

--United States Army Reserve, Hawaii

Lt Col Donald J. MACK, Staff Technician, IX Corps (Aug)

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

HONOLULU, HAWAII

AGENDA

PACIFIC ARMIES MANAGEMENT SEMINAR II (PAMS II)

16 - 20 April 1979

HONOLULU, HAWAII

AGENDA

Monday, 16 Apr 79

0800-0830	Registration - US Attendees
0830-0845	Call to Order; Welcoming Remarks and Introductions - Major General Herbert E. Wolff, Commander, US Army Western Command
0845-0915	Keynote Speaker - Lieutenant General Edward C. Meyer, Deputy Chief of Staff for Operations and Plans, Department of the Army
0915-0945	Official Photograph
0945-1030	Registration - Asia-Pacific Country Representatives
1030-1130	Panel Organization Meeting
1130-1300	Lunch
1300-1330	Seminar Chairman's Report on PAMS I
1330-1400	Presentation (Special Report): "Airmobile Operations" - Lt Col Boland, US Army
1400-1415	Refreshment Break
1415-1445	Presentation: "Management Training and Education" - Lt Col Choochart, Thailand
1445-1515	Presentation (Special Report): "Functions and Responsibilities of the Security Assistance Training Management Office" - Lt Col Redd, US Army
1830-1900	En route to Fort Shafter. Transportation departs 1830 hours from Hilton Hawaiian Village (HHV) Diamond Head Tower entrance
1900-2100	Commander's Reception at Quarters 5, Palm Circle, Fort Shafter

Pacific Armies Management Seminar II Agenda (Continued)

Monday, 16 Apr 79 (Continued)

2100-2130 En route to HHV. Transportation departs Quarters 5,
Palm Circle, Fort Shafter

Tuesday, 17 Apr 79

0830-0900 PAMS Planning Committee Meeting

0900-0930 Presentation: "Induction, Classification, and
Assignment in the SAF" - Col How, Singapore

0930-1000 Presentation: "Enlisted Personnel Management" -
Col Noh, Korea

1000-1015 Refreshment Break

1015-1100 Featured Speaker - Major General Charles K. Heiden,
Commander, US Army Military Personnel Center,
Department of the Army

1100-1130 Presentation: "Manpower Management, Policies, and
Programs" - Col Kong, Malaysia

1130-1300 Lunch

1300-1430 Panel Discussion: "Manpower/Personnel Management"

1430-1445 Refreshment Break

1445-1515 Presentation: "Installation Management Principles
and Organization" - Col Berg, US Army

1530-1600 En route to Pearl Harbor Base Exchange. Trans-
portation departs 1530 hours and 1600 hours from
Hale Koa Hotel lobby entrance

1600-1800 Visit to Pearl Harbor Base Exchange (optional)/
Prepare Committee Reports

1800-1830 En route to HHV. Transportation departs Pearl
Harbor Base Exchange 1730 hours and 1800 hours

Wednesday, 18 Apr 79

0830-0915 Panel Reports: "Manpower/Personnel Management"

Pacific Armies Management Seminar II Agenda (Continued)

Wednesday, 18 Apr 79 (Continued)

0915-1000	Presentations: "Introduction to Command Financial Management" - Col Alfabeto, Philippine Constabulary and "Philippine Army Financial Management System" - Col Pizana, Philippine Army
1000-1015	Refreshment Break
1015-1100	Presentation: "Installation Financial Management" - Maj Zehnder, US Army
1100-1145	Presentation: "Financial Management - 25th Infantry Division" - Maj Jones, US Army
1145-1300	Lunch
1300-1430	Panel Discussion: "Financial Management"
1430-1445	Refreshment Break
1445-1530	Presentation: "Installation Facility and Materiel Management" - Col Berg and Maj Zehnder, US Army
1530-1615	Steering Committee Meeting

Thursday, 19 Apr 79

0830-0915	Panel Reports: "Financial Management"
0915-0930	Refreshment Break
0930-1000	Presentation: "Automation and Resource Management" - Col Wallace, US Army
1000-1145	Demonstration: "Resource Management Automatic Data Processing Programs" - Kalani US Army Reserve Center, Fort DeRussy
1145-1300	Lunch
1300-1330	Presentation: "Resource Management in the Territorial Commands" - Col Rinto, Indonesia
1330-1500	Panel Discussion: "Materiel/Facility Management"
1500-1600	PAMS Planning Committee Meeting

Pacific Armies Management Seminar II Agenda (Continued)

Friday, 20 Apr 79

0800-0900	Steering Committee Meeting
0900-0945	Presentation of Panel Reports: "Materiel/Facility Management"
0945-1015	Presentation (Special Report): "United Nations Peacekeeping Operations - Fiji" - Col Thorpe, Fiji
1015-1030	Refreshment Break
1030-1130	Panel Discussion and Preparation of Final Reports
1130-1300	Lunch
1300-1345	Closing Remarks by Country Senior Representatives
1345-1415	Closing Remarks by Major General Herbert E. Wolff, Commander, US Army Western Command
1900-2200	PAMS Dinner (Guest Speaker - General John R. Guthrie, Commander, Department of Army Materiel Development and Readiness Command (DARCOM))

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

HONOLULU, HAWAII

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The second Pacific Armies Management Seminar hosted by US Army Western Command met in Honolulu 16-20 April 1979. Resource Management, emphasizing techniques used by participating nations to manage their resources, was the seminar theme. Efforts were directed at comparative analysis and developing a better understanding of all aspects of resource management with emphasis in the areas of personnel, financial, and materiel management. Participants from Fiji, Indonesia, Korea, Malaysia, Papua New Guinea, Philippines, Singapore, Tonga, Thailand, the United States, and observers from Australia, Japan and Pakistan attended. Over the seminar's five days, delegates heard presentations on various aspects of resource management, met in smaller panel discussion groups, and reported the results of their discussions to the plenary session.

Major General Herbert E. Wolff, Commander, US Army Western Command and the official host, opened the seminar with welcoming remarks and introduced country delegations and the keynote speaker, Lieutenant General Edward C. Meyer, Deputy Chief of Staff for Operations and Plans, Department of the Army. In his introductory remarks, Major General Wolff announced that Lieutenant General Meyer had been selected for nomination to the United States Senate for promotion to General as Commander in Chief, US Army Europe.¹ In his remarks General Meyer focused on national strategy, allocation of resources, and operational capabilities. General Meyer postulated that the professional soldier's role is to make sure that his army has the capability to carry out national strategy and possesses the fighting capability to deter war. A copy of General Meyer's remarks is contained in the PAMS II Final Report.

The remainder of the first day was devoted to special subjects and general management topics. These included US Army presentations on "Airmobile Operations," and "Functions and Responsibilities of the Security Assistance Training Management Office," and a Thai presentation on "Management Training and Education." The latter presentation served as an excellent introduction and focused on management techniques and methods. Several excellent points surfaced, including the observation that all commanders are managers and that the ultimate purpose of management is to produce results. This entails determining objectives, communicating organizational goals, stimulating innovation, establishing standards, and directing and coordinating actions while concurrently increasing effectiveness.

"Manpower and Personnel Management" was the topic for the second day. Presentations on "Induction, Classification and Assignment in the Singapore Armed Forces," "Enlisted Personnel Management" by Korea, "Manpower Management, Policies and Programs in the Malaysian Army" and an address by Major General Charles K. Heiden, Commander, US Army Military Personnel Center, provided the basis for discussions on

1 On 2 May 79, the White House announced that General Meyer had been selected by the President to succeed General Rogers as Chief of Staff, US Army.

manpower and personnel management. A copy of General Heiden's address is contained in this report.

In discussing personnel management, attendees concluded that personnel are the most valuable resource and the most crucial element of any army. Combat power depends heavily on the effective management of personnel resources. The task is to get the most capable force possible for the dollar. Without effective, responsible, dedicated people, all other programs are meaningless. Personnel turbulence, caused by operational requirements, is a major detractor from effective personnel management. A summary of panel discussions on personnel management is contained in the PAMS II Final Report.

"Financial Management" was the topic for the third day. A presentation on the "Philippine Army Financial Management System" and US Army presentations on "Installation Financial Management" and "Financial Management in the 25th Infantry Division" formed the basis for discussion. In discussing financial management, attendees concluded that many Asia-Pacific Armies use a form of "zero-base budgeting." Armies start with a core budget that is absolutely essential, proceed from that point with additional requirements and the corresponding capability these dollars will provide, and rank orders additions to the core budget. This process causes a necessary review of all programs on an annual basis and forces the command to justify each new or added program. For a complete discussion and conclusions see panel reports.

"Materiel Management" and "Automated Management Information Systems" were the topics for the fourth day. US Army presentations on "Installation Facility and Materiel Management," "Automation and Resource Management," an Indonesian presentation on "Resource Management in the Territorial Commands," and a demonstration of computer applications to resource management formed the basis for discussion. Attendees concluded that computers are a valuable tool for storing, correlating, and retrieving data, but do not relieve the commander or manager of his responsibility to make hard decisions. Management information systems are not a crutch for poor management techniques. The decision to convert from manual to automated systems must be considered on a case by case basis. A complete summary of panel conclusions follows the executive summary.

The final seminar day was devoted to panel reports, a special report on "United Nations Peacekeeping Forces," summary panel discussions, and closing ceremonies. In their closing remarks, senior country representatives cited the Pacific Armies Management Seminar as an excellent forum for providing the armies of the Asia-Pacific region a better understanding of each other. It fosters good relationships among neighboring countries, promotes a brotherhood among soldiers, and brings home the point that all armies are confronted with similar problems. Through its cooperative effort, the seminar provides a learning experience and is a productive and valuable endeavor.

General John R. Guthrie, Commander, Department of the Army Materiel Development and Readiness Command, spoke to the attendees at the final seminar event, the PAMS II dinner. In his after-dinner remarks General Guthrie discussed the mission and role of his command. He emphasized that resources are limited and that commanders and managers must maximize results from resources provided, prioritize their needs, and articulate their requirements. A crucial part of this process is to provide the necessary resources to sustain forces for prolonged operations. A copy of General Guthrie's remarks will be provided at a later date as an addendum to this report.

The success of the Pacific Armies Management Seminar series is a product of the cooperative effort of all participants. The professional interchange of ideas and experiences, discussions of common management problems, and the sharing of solutions to these problems provide the basis for the success of PAMS II. The PAMS III Planning Committee recommended, and the Steering Committee concurred, that PAMS III be held in Honolulu during the week of 21-25 January 1980. The theme selected for PAMS III is "Operational Planning and Management" excluding general war and contingency planning. For complete details, see the Steering/Planning Committee Report.

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

HONOLULU, HAWAII

SUMMARY OF CONCLUSIONS

SUMMARY OF CONCLUSIONS

. The national strategy, and the military forces necessary to execute it, determines total resource requirements.

. Resources for the armed forces will always be constrained by other competing governmental requirements. Expertise in managing the resources provided is therefore essential if the armed forces are to improve in quality and responsiveness to operational needs.

. Senior military commanders must communicate their resource requirements to the civilian leadership which makes budget and resource allocation decisions.

. Senior commanders require a standard on which to base their budget and force capability decisions to permit quantification of resource requests.

. A balance must be reached between allocation of resources directed to current readiness and force modernization.

. Time is a valuable resource. Commanders and managers must concentrate on matters that impact directly on goal accomplishment and find time in their schedules to plan and review programs.

. Management by objective is an effective management technique. In this process, goals are selected, standards established, parameters defined, and results measured against standards.

. Resource managers have a public trust. Honesty, integrity, economy, and effectiveness are watchwords for the resource manager.

. Resource managers must examine "why" programs are conducted as opposed to continuing outdated or non-productive programs.

. Doctrine influences the formation of military organizational structures and directly impacts on resources and the materiel required to equip, maintain, and sustain that force.

. Centralized planning and decentralized execution/administration is an effective method for optimizing results.

. Resource management is a universal challenge. Everyone must be involved: the commander, the manager working for the commander, and the user.

. Cost-consciousness programs designed to get people involved can result in conserving resources.

. Personnel systems are driven by requirements imposed by operational planners. This causes personnel instability and is a major area of concern for the personnel manager.

. The personnel management system must react to the commander's requirements. Assignment of a priority ranking system to commands provides a rank order system for making personnel assignments for high caliber/skilled personnel.

. Commanders at all levels should give personnel assignment prerogatives to selected subordinate commanders and other personnel.

. In smaller armies, the reputation of key personnel provides commanders and personnel managers a basis for assignment decisions. This system is effective except where armies become so large as to make it impractical.

. Personnel are the most valuable and complicated asset in any army. Education is required for selected personnel to develop the mental capability for absorbing training.

. A need exists for either formal or informal training in personnel management and organizational effectiveness.

. Specialists, noncommissioned officers, and field grade officers require personal development time and training not generally required of lower grade enlisted personnel.

. Due to civilian employment opportunities, skilled specialists (electronics, medical, ADP) are difficult to retain in military service. Long term enlistments for in-service training is one method to retain service trained specialists.

. Women have a role in the armed services, particularly in countries with declining military age males or declining birthrates.

. In spite of limitations, females can be valuable replacements for males if given a larger role in the army. Cultural traditions, prejudice, and credibility may be overcome in time as the role of women in the army is increased.

. Personnel managers must consider the impact of service marriages as women begin to enter their armed forces in appreciable numbers. Primary considerations are personnel policies concerning pregnancy, assignments with spouse, and deployability.

. Reserve, territorial, and national guard (State) forces are cost effective adjuncts to regular forces and provide insurance for national survival.

. In general, placing reserve personnel in organized units produces better results than dealing with them as individuals.

. Effective reserve forces are dependent on a sound materiel management system and an effective mobilization system.

. Reserve forces must associate or interface with active forces, and use the same resource management systems to be effective when mobilized.

. Zero-base budgeting or a modification of this technique is used extensively in Asia-Pacific armies. A core program is protected with additions or deletions assigned on a rank priority basis.

. Formation of boards to recommend priorities for expenditure of installation facility maintenance/repair funds is a viable management technique.

. Financial managers should be assigned down to the level where budget planning and approved programs are implemented.

. Cross service agreements for common support functions have savings potential.

. Contract service for "hard skill" services is a cost effective option to be examined on a case by case basis.

. Potential contractual services must be carefully analyzed to determine cost factors and impact on readiness.

. Contractual services, while efficient and economic, must not be allowed to degrade readiness.

. Computers are here to stay. Managers must become familiar with their uses and applications.

. Computers can be used to store data on buildings and facilities and the state of repair/maintenance of these facilities. They can supply valuable data for the responsible manager to make timely decisions.

. Computers do not relieve the commander or manager of his responsibility to make decisions. Computers can supply data to provide a better basis for the decision maker to exercise judgement and initiative in a timely manner.

. Computers do not check themselves. Management information systems are only as good as the accuracy of the data base.

. Cost of computers may make their use impractical for some nations. Each country must examine its requirements on a case by case basis before making the decision to buy, lease, or convert to computers.

. Mini-computers have potential for those countries not requiring extensive ADP applications.

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 April 1979

OPENING REMARKS

MAJOR GENERAL HERBERT E. WOLFF
COMMANDER, US ARMY WESTERN COMMAND

OPENING REMARKS

MAJOR GENERAL HERBERT E. WOLFF

Good morning, Aloha, and greetings. I wish I could greet each of you in your native language. But when we started the first seminar, we agreed that all proceedings would be in the "American" version of the English language. We will continue that policy today and will make no attempt to mutilate any language other than English. I am extremely pleased to see the turnout we have here today. When we launched this seminar series a few months ago, we realized we were breaking important new ground. At the same time, we were aware that the long-term prospects for the Pacific Armies Management Seminar series depended on the foundations established and the successes of the first seminar. The PAMS I representatives who sat where you sit today handled this challenge extremely well. I am confident that in the days ahead we will match the success of PAMS I and have no difficulty emulating the good work done last September.

While you are here, my staff and I will make every effort to make your stay a pleasurable and professionally rewarding experience. With that in mind, I call to your attention the welcome desk outside this room. It will be in operation each day we meet. The people at the welcome desk have a primary mission to assist you. We recognize that you have traveled long distances and may require assistance. We are prepared to assist in every way possible.

Over the next few days, we have important work to do; and as you know, these are working sessions. In all our armies, whether large or small, we have common problems that lend themselves to common solutions. This particular session of the Pacific Armies Management Seminar series concerns itself with an extremely important topic--resource management. As professional soldiers, we know that all of us must obtain the maximum benefit from the limited resources we have. In our first seminar, we dealt with training management and passed along the results of that seminar to all participants. The feedback we have had clearly indicates the results were of benefit to all. I feel certain that we will achieve similar results with our topic of resource management.

Since we last met, my headquarters, has undergone a major organizational change. Many of the faces are the same, but since March 23, 1979, the status of the Army headquarters in Hawaii has been elevated to that of a major command. This action underscores the importance the US Army places on the Asia-Pacific region. Our new headquarters, the US Army Western Command, in combination with Eighth US Army and US Army-Japan, covers the same territory as the US Pacific Command. The area encompassed by these commands includes a vast area extending from the west

coast of North America to the east coast of Africa and is an area of over 100 million square miles of land and water. It is an area of almost unbelievable diversity in terms of culture, races, religions, languages and political and economic systems. It is an area where the economies of the countries of the region cross the spectrum from island nations to industrial giants on the threshold of world leadership. It is, therefore, not surprising that it is a region of conflicts, a region where the great powers confront each other.

During our first seminar, we recognized that there were a great number of flash points and friction areas in the Asia-Pacific region that had the potential to develop into actual warfare. That has not changed. As a matter of fact since we were last together, war has erupted. As professional soldiers, it is significant to reflect for a moment on the kind of a war that took place between the Peoples Republic of China and Vietnam. It was called a "punitive war," but in fact it was a limited war. It was a war without the use of airpower--a war without the use of naval power--an army war--a ground force war. I think that there is some significance to this that we must recognize. Perhaps this is a preview of the kind of warfare that we can expect in the Pacific region--wars where airpower and naval power are not applied. The soldier on the ground engages in combat to achieve the results desired by the leadership of the country concerned.

Without dwelling on the topic of resource management, I would like to point out that all of us have common problems in this area. During the period that we have together, we need to devise means of addressing the management of our resources with greater success than we have in the past. At the beginning I said that we had important work to do, as well as a great deal of work to do in the short time available especially since none of us will ever have all the resources we would like to have in at least three dimensions--people, money, and things.

During the time we have together, I look forward to meeting you and talking to you. At the outset, I think it would be appropriate if I ask each of you to stand to be recognized by the fellow participants here in this seminar.

The last introduction I have to make this morning is perhaps the most important. We recognized the accomplishments of PAMS I and spoke of some of the differences between our subject matter in PAMS I and PAMS II. But, I failed to mention those who are responsible for the origin of these seminars. Our keynote speaker is one of those individuals. Lieutenant General Meyer is one of those very unusual soldiers who brings to the military a combination of erudition, combat command expertise, and staff excellence second to none. He is a graduate of the US Military Academy, a graduate of the Infantry School, the US Command and General Staff College, the Armed Forces Staff College, and the National War

College. In addition, he was a federal executive fellow at the Brookings Institute. As a commander, he has seen combat as a company commander, combat as a battalion commander, and combat as a brigade commander. He has been the Chief of Staff of the 1st Air Cavalry Division in Vietnam. He has been the Assistant Division Commander of the 82d Airborne Division and the Division Commander of the famous 3d Infantry Division in Germany. General Meyer served as the Assistant Deputy Chief of Staff for Operations and Plans for the Department of the Army before becoming the Deputy Chief of Staff. In addition, he has also been the senior army representative on the Military Staff Committee, United Nations, in New York since November 1976. I have known General Meyer for a long time and know that he is one of those rare soldiers Mr. Manchester described in his famous book, The American Caesar. He is the kind of soldier who comes along not once in a decade, but once in a century. It is therefore not at all surprising that I culminate my introduction this morning by informing you that General Meyer has been nominated for his fourth star to become the Commander in Chief of US Army Forces in Europe. It is with great pride that I ask you to help me to welcome General Meyer.

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 April 1979

KEYNOTE ADDRESS

LIEUTENANT GENERAL EDWARD C. MEYER
DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS
DEPARTMENT OF THE ARMY

KEYNOTE ADDRESS

LIEUTENANT GENERAL EDWARD C. MEYER

As General Wolff was so kind to tell you, I learned this morning that I had been selected by the President to be nominated to the Senate for promotion. At first, I wondered if I ought to change the basic thrust of my presentation, but I don't think I'll do that.

Before addressing our topic, I would like first to tell you how very, very happy I am to be able to join you today. As General Wolff indicated, the Pacific Armies Management Seminar is a dream of ours which began in the 1975-1976 timeframe. At that time, we started to look at the US Army in the Pacific, and we realized that Army-to-Army relationships out here might atrophy unless there was some forum for us to continue those relationships. That was the origin of the Pacific Armies Management Seminar. It's an effort undertaken by the United States and the US Army in particular to look at its role, to determine what that role in the Pacific should be, and a beginning of the development of that role. I'm very happy then that General Wolff asked me to come here to begin this particular seminar because I was involved in its early conceptual stages.

You may ask why the Director of Operations and Plans is here when our subject is Resource Management. The Director of Operations and Plans is here because Resource Management for any army must be based upon what the country needs in the way of forces to carry out the strategy selected by its government. The priority for resource expenditures must be established to provide the forces to support the strategy. That is the essential reason for resource management, and that is why I felt so strongly that it was necessary that I come and address this seminar.

Why we or any country have an army is not an easy question to answer. When I was the Deputy Commandant at the Army War College, a great soldier, General Abrams, who was then our Chief of Staff, called me and said, "We're having trouble down here in Washington explaining why we need an army." He went on to say, "How about having some of the smart, young lieutenant colonels and colonels that you have up there write a short paper on why we need an army." We have now developed a document that lays out the purpose of our army and describes how you manage manpower, materiel, and money to be sure that the army you have serves its purpose.

If everyone had a group of little people, like the menehunes of Hawaiian folklore, we wouldn't need resource managers. The "menehunes", according to legend, take care of all sorts of very complicated feats during the night so that the next morning--there is a bridge or other project completed. If we all had menehunes, we could tell them what we need and the next morning it would be there. However, that isn't the case. We don't have

that option. We don't have the ability to go to the little people somewhere and have them suddenly build bridges, develop equipment, or design buildings for us. We have to have a basic linkage to objectives to obtain results. That linkage, in every one of our countries, must be directly to the national security objectives of our nations. That must be the center from which we direct resource management. Resource allocation is ultimately driven by basic national security.

We then have to design a strategy that will insure national security. We must look at national security; the strategy developed to provide that security; and the resources we are given, to develop a war fighting capability which we hope will also deter war. Each of our countries has different security objectives. Each of our countries has different resources available. The blending of the strategy and the resources to develop the national security capability is really the essence of the DCSOPS' role in Resource Management. He must insure that balance exists among strategy, resources, and capability.

I am not going to give you a long discussion today about the world environment. I am going to talk about three elements of it. As you discuss resources this week, keep in mind that there are three basic arrows in each of our quivers. We have an economic arrow, a political arrow, and a military arrow. We need to insure that each one of those arrows is straight, each one of those arrows is sharpened, and each one of those arrows is capable of being used.

As we look to the future, the economic challenges to each of our nations are significant. Because the access to markets and resources are so essential to survival, the economic arrow has to be maintained, sharpened, and straight.

Clearly, as you look across the world, you see many flash points. You see the Soviet Union developing a growing capability to project its power. The United States, in an effort to respond to that threat, is part of alliances, a part of a free world, and a nation interested in protecting access to resources for our sake and for the sake of our allies and friends of the free world.

Our basic thrust is to maintain the elements of strategic equivalency, to insure that the balance in Europe is retained, and to be able to deal simultaneously with contingencies elsewhere. The survival of the free world is dependent upon our ability as a corporate body to be able to project power, to protect our access to resources and protect our access to the markets of that free world. The United States is developing this year a contingency force, a unilateral corps with appropriate naval and air force support which is capable of being employed anywhere in the world: the Persian Gulf, the Middle-East, Northeast Asia, or elsewhere in Asia as well. It will have an expanded capability over what we have had in the past and give us the real ability to project power into areas of the world other than Central Europe.

I assure you that as we go about the development of our forces for the future, we are insuring that we do not have a totally mechanized force at the peak of readiness which is not able to function in the mountains or the jungles where it might be called upon to operate. That is one of the management tasks that I have to perform in the allocation of resources. It is also one of the problems which you must address. You must be sure that you are able to handle the wide spectrum of requirements that exist for your armies. Next, you need some method to measure how well you are doing. You must be able to go to your Commander or to the manager who hands you money in the Ministry and say, "I need this number of additional dollars to improve the capability of the army by this amount." To do this, you must have a measurement standard. Whether these standards are to measure unit or individual proficiency, or to tell you exactly how many resources are required, the key is to be able to measure and articulate the effect of resources on capability.

In managing resources to provide national security capability, we must consider three areas. One is near-term readiness, the other is modernization for the future and the last sustainability. In our Army today, we are focusing on near-term readiness because quite clearly you have to be able to last the first three rounds of a fifteen round fight before you can go the next twelve rounds. Ultimately, you will have to be able to go all fifteen rounds, but you can't do that unless you can last the first three rounds. Our focus is on this near-term readiness and on being able to insure that we have a war fighting capability for those early stages. In looking at how resources are allocated, you must consider the trade-offs among near-term readiness, modernization and sustainability. You must insure that you explain to your civilian mentors that if you can't survive the first 5, 10, 15, 20 or 30 days of operations, that capabilities becoming available later on may not matter. You must insure that the forces you have are capable of operating successfully in the early stages of hostilities.

It is difficult to balance readiness against modernization. You may wish to modernize, may wish you had newer or more modern equipment. But, you must consider very carefully, and decide what additional capability that new equipment provides, and whether or not it's absolutely essential to survive the early stages of the war. I think that's the biggest challenge that I face on the Army staff as the individual who has the responsibility for prioritizing. It is trying to decide between insuring that we have an Army that can fight today and insuring that I leave for the Army of the future, a force that's modern enough and capable enough to counter the type of threat that they are going to face. Those are the areas for which you and I get paid as professionals--to insure that we have a balance between near-term readiness and modernization. I think that's the area that I trouble over the most because no one knows for certain when the next war is apt to start. We must manage near-term readiness and modernization

against an unknown starting date. If I were certain the war wasn't going to start until 1985, I would know the answer to that difficult resource management question of "how much to devote to near-term readiness and how much to modernization."

I am fond of saying that we have three armies in the United States. We have today's army armed with today's equipment; tomorrow's army which will be armed with the new tanks, the new air-defense weapons systems and the new helicopters that are scheduled to come in; and we have our reserve army which has an amalgam of older equipment and some of the current equipment. We have three armies which we have to think about, to develop and maintain. I am sure that in each one of your forces there is no way that you are ever going to have a totally modernized force. You are always going to have new materiel coming in. The equipment that you are going to have to fight with will be the most modern materiel that you have, and some of it will be less than modern. In managing resources, you must look at these three armies to insure that you are looking across the entire spectrum.

The next topic I will address is sustainability. There are certain sinews of sustainability in which you must invest. Each of your societies is capable of producing certain types of equipment or materiel that's easily adaptable to wartime requirements. As an example, medical supplies and equipment are generally available for procurement in the civilian sector. It would not make a lot of sense to develop a large industrial capability to develop surgical tools. There is demand for those within the society on a day to day basis and they are readily available. On the other hand, there is no demand on a day to day basis in the civilian world for war-peculiar items such as artillery rounds, and this is an area which demands attention. We have a requirement to have ammunition installations developed and maintained in peacetime to sustain us in war. You have to look at things that provide the sinews of war and the sustaining items that cannot be developed quickly from civilian industry and manage accordingly.

Last year you discussed how to train. I won't discuss that in detail except to tell you that I continue to believe that there is greater opportunity for improvement in our Army through improved training than any other single area. As the former 3d Division Commander, I would tell you that I probably trained that division only up to about 30 or 40 percent of its potential. Opportunities to improve the capabilities of the forces you have through resource management and management of training are so monumental that I hope you will continue to look into that area.

Soldiers have to think about how to fight, how to organize, how to develop doctrine, how to select equipment, and how to train. But another vitally important function the soldier must consider is how to go to war.

I know that sounds like something every soldier should understand; but I found in the United States, in the period between major wars, that the basic fundamentals of how you go about mobilization tend to be forgotten. It is absolutely essential that the civilian hierarchy and the military hierarchy be totally unified in this area. If I were to look at one of the deterrents to war, as my counterpart in the Kremlin must, one of the things that would deter me from going to war would be the knowledge of the US's tremendous industrial and manpower mobilization capability. Each of us has to insure that our army is able to be mobilized, supported and able to go to war. A lot of effort is going into that area in the US Army today. It does no good to have a division sitting here in Hawaii, if it cannot be picked up, moved someplace, operate and have the civilian manpower and civilian industrial base behind it necessary to sustain it in combat. As you look at resource management, be sure that you look at civilian interface because that's absolutely essential as you go about developing the right kind of army and maximizing the impact of the resources you expend on your particular army.

There is one final point I want to make and that is what I spoke of earlier about starting from strategy and relating it to resources and to war fighting capability. I have indicated that each of us has to determine how best to develop our army in correlation with strategy. Many times when you look at strategy, resources, and war fighting capability, they don't come out even. There isn't enough war fighting capability to carry out the strategy that the civilian leadership has dictated. As professional soldiers we have a responsibility to articulate the shortfalls between the resources we've been allocated, the capability those resources provide, and the strategy we've been directed to execute. There should be no misunderstanding between our country's leaders and those of us who are entrusted with insuring our national security. I feel very strongly that we as soldiers must, in periods of relative quiet, prepare for the next war in the hope we will deter it. At the same time, we must be willing to stand up, speak out to our leaders and articulate the needs of the army.

As I pointed out, the US Army and your army may have different views and different requirements. But I seriously doubt that the fundamentals vary. I believe that the essence of developing a strategy, determining why you have an army, insuring that you have taken the resources and developed the best fighting capability from those resources does not vary. This is common to all. Our responsibility is to develop an army that is capable of executing the strategy and providing national security.

There are many ideas and thoughts that you bring to this particular seminar. Your challenge is to stand up when you have an idea, challenge each other, share your experiences and views, and communicate your ideas. As soldiers, when we leave here, we should have a better understanding of resource management problems and be better able to insure our national leaders that we are providing them with the best defense possible with the money they are providing us.

Thank you for letting me join you.

PACIFIC ARMIES MANAGEMENT SEMINAR - II

17 April 1979

FEATURED ADDRESS

MAJOR GENERAL CHARLES K. HEIDEN
COMMANDER, US ARMY MILITARY PERSONNEL CENTER
DEPARTMENT OF THE ARMY

FEATURED ADDRESS

MAJOR GENERAL CHARLES K. HEIDEN

Thank you. It's a pleasure to be with you today, to discuss the army's most valuable resource--people. This fact--that without effective responsible, dedicated people our other programs would be meaningless--is key and is recognized by one of the six total army goals: The human goal. This is the goal which we, in the Army's Deputy Chief of Staff for Personnel "family," are fundamentally concerned with, and it gives us a well defined sense of direction. I am sure you can appreciate the difficulties involved in achieving this human goal. I will give you an overview of how we are organizing our work toward attaining the human goal. But first, it's necessary to give some background.

We face a challenge unprecedented in our history. We must be ready for instant deployment, worldwide. We no longer have a lengthy time to mobilize our reserves and integrate them with our active forces as we have done in the past. Our total army--active army, reserve components, and supporting civilian work force--must be ready today. If this sounds like a challenging task, bear in mind that we must also do it within budgetary constraints. Fundamentally, our approach is to carefully manage the composition of the army to get the most capable force possible from the dollar.

In practice, it works out this way--the active army consists of as many combat and combat support units as we can afford, plus necessary service support to handle peacetime support requirements, and just those few wartime support units which we feel cannot be reasonably maintained as reserve component units. The active army also includes a sustaining base--those units organized to perform missions in support of combat forces such as recruiting, training, medical care, research and development, communications, logistics, and base operations. In the selected reserve, we maintain the remainder of the combat units--mostly in the Army National Guard--plus the wartime support for all the reserve components, as well as the bulk of the wartime support for the active army. Our management strategy is to have these units ready to move to the theater of operations as they are needed, while saving the cost of maintaining them as active units.

The next component of the total army is the Individual Ready Reserve--those soldiers who have completed their contractual obligation to serve in an active army or selected reserve unit, but who have not completed the six-year military service obligation required by law. This pool of trained manpower serves two functions in our mobilization scheme. First, we depend on the Individual Ready Reserve to provide any "fillers" needed to bring active or selected reserve units up to

full strength; and second, to provide replacements for battle casualties until sufficient numbers of volunteers or draftees can be trained and made available.

The last component of the total army is the civilian work force--a remarkably efficient and dedicated force that provides a degree of expertise and continuity which would be difficult--if not impossible, to match with military manpower.

Now that I've outlined what the force consists of, let me move to the challenge we face in manning it. The first step is determining manpower requirements. Army manpower requirements are derived from analysis of wartime combat, tactical, and general support structures and essential requirements peculiar to peacetime support. In meeting these requirements, the manning levels, the mix of units among active and reserve component forces, and the mix of military and civilian personnel are established within constraints of resource availability.

The army's force level--in terms of divisions and total active military end of fiscal year strength and reserve component average fiscal year strength--is proposed by the President with the advice of the Secretary of Defense, and is sustained through appropriations provided by the Congress. The annual guidance from Congress is expressed in end strength--for the active army--and man years. These are the two major constraints within which we must work in manning the force.

Army manpower requirements generally exceed manpower assets--the end strength approved by Congress. Because this is so, we have developed a force packaging methodology that establishes army priorities for distributing manpower assets as well as equipment. From this methodology, the force structure allowance is developed. This tells us how many officer and enlisted personnel we need to induct into the army in order to man the force.

Force structure allowance increases can only be achieved in one of two ways--either through an increase in Congressionally-approved strength or through an increase in the number of army soldiers actually present in the operating strength of units.

Those personnel who are part of the total army strength, but who are not available to serve in units, are accounted for in an "individuals account." The "individuals account" centralizes at Department of the Army Headquarters the accounting for soldiers who are temporarily not available for duty within units of the force structure. The "individuals account" consists of trained and untrained personnel. Examples of those in the trained category are hospital patients, students, cadets,

transients, and prisoners. Soldiers undergoing army training make up the untrained category. Without the "individuals account," all army personnel--except cadets and trainees--would have to be accounted for as members of units within the force structure, so these accounts serve a useful purpose in preventing the overstatement of actual personnel manning.

In recent years, increases in the force structure allowance have come about as a result of reductions in the "individuals account." We have been able to achieve these reductions in the "individuals account" through a number of actions. One important reason for the reduction is reduced attrition of soldiers during their first term of enlistment. This, in turn, reduced the number of personnel who had to be recruited and trained--and, consequently, reduced the number of trainees in the "individuals account." Another reason is the increase in the career content of the enlisted force. We've been able to do this through increasing reenlistments and increased enlistments of prior service personnel. These types of individuals are lost to the army at a far lower rate than non-prior service soldiers. In addition to reducing the number of trainees, increased career content also avoids soldiers being placed in transient status as well, especially by avoiding many accession and separation transient moves.

We've also worked on passing trainees through the training base more rapidly, and spending more productive time in their troop unit assignments. The introduction of self-paced instruction and conducting training at one installation rather than two are examples of recent initiatives in this area.

We develop our accession requirements based on losses and within Congressional constraints in support of the force structure allowance. We attempt to balance the force at the end of the year for both end strength and man years. From these figures, we develop recruiting objectives in terms of the numbers of people--by skills and component--needed to man the force. This is done for both officer and enlisted ranks.

In a volunteer recruiting environment, the key elements are the military age population--who is available for potential service, the state of the economy, the attractiveness of military service to young people, and the recruiting resources available--in both dollars and people. Each factor overlaps and affects the others. Since the army converted from a draft environment to an all-volunteer force six years ago, we have inducted an average of 146,000 men and women volunteers into the active army each year. We do this with a recruiting force that currently consists of 7,285 military personnel. Recruiting quotas are determined--by skill--on a weekly basis in order to make the most efficient use of our training base and concurrently achieve the required mix of skills needed to man the force. During these six years, we've been able to achieve an average of 100 percent of our annual recruiting objectives.

With the reserve components, the outlook is not so good. During the past three years there have been serious declines in the strength of the Guard and Reserve. These declines are due largely to the loss of soldiers who joined in the late 1960's and early 1970's--many of them "draft motivated" and who left the service after completion of their six-year military obligation. On the positive side, both the Guard and Reserve are now populated entirely by true volunteers. We expect future losses to decline significantly. We recognize the problem that we currently have with reserve component manning, and are working on it. We are showing some progress in this area, and we expect to show more in the years ahead.

On the officer side, we procure personnel from a variety of sources. This next slide shows the 1980 projections for officer procurement for all components of the army. Note that the largest single source of officers is the Reserve Officer Training Corps. The ROTC program also provides a large number of officers each year to the Reserve components. You will also note that over 15 percent of 1980's officer accessions will be warrant officers. I'll talk more later about the role of the warrant officer in the army. The fiscal year 1980 officer procurement goal is 11,752 for the active army, which will give us an officer end-strength of 98,340.

Reserve Component officers are procured through ROTC, Officer Candidate School programs, recruitment of officers leaving the active army, and direct appointments. The National Guard must induct 5,000 officers annually in order to maintain authorized strength, and the Army Reserve must take in 7,500 officers.

In both officer and enlisted force, the role of women is increasing in all components of the army. We now have about 6,300 officers and over 50,000 enlisted women in the active army--about seven and a half percent of the total active strength. And the female force level is projected to rise in the years ahead. Today, 94 percent of our military skills are open to women. The only assignments which are barred to women are those likely to routinely involve them in close combat.

Women are an important part of the army. They do make good soldiers, and we are integrating them into our ranks as smoothly and rapidly as possible. We expect them to participate fully in field training, to deploy with their units, and to accept the risks and hardships of the army specialty in which they serve.

Another important part of the total army is the civilian work force. Not only do our civilians provide a high degree of expertise and

continuity to the force--they also offer significant monetary savings. This slide shows past, present, and projected figures for army civilian manpower in military functions. Our challenge is to continue to maintain an adequate civilian work force to perform essential military support functions.

We've covered the steps involved in determining manpower requirements and then moved to man the total army. Here is the "bottom line"--the actual and planned end strengths for each component of the army.

I'll turn now to a brief overview of the personnel management systems--officer and enlisted--that we use to manage the force. Actually, rather than discuss specific features of each system, what I will do is touch on the philosophy behind these systems, and their objectives. Let's start with the one which affects the largest number of our soldiers--the enlisted personnel management system--EPMS. EPMS is designed to build a professional noncommissioned officer corps with progressive evaluation and training in relatively narrow fields to increase the NCO's proficiency as he progresses through the ranks. These are the objectives of EPMS.

EPMS begins with the recognition that promotion is a prime motivator for career development. What the system does is tie the training system, and the evaluation system, to the promotion system. This relationship allows us to design a training system and evaluation tests which complement a single grade level for each skill. The soldier is trained, and demonstrates the requisite level of skill for the next higher grade, before he becomes eligible for promotion. And each of the courses in the career-long training system is designed to teach the critical requirements of the next higher grade only. The evaluation tests--we call them skill qualification tests--are aimed at tasks the soldier must do. They measure whether the soldier can meet an army standard. The entire training and evaluation process is geared toward the next step up the promotion ladder.

Let's move now to the warrant officer, and before I tell you how he is managed, I think a definition is in order, since warrant officers are not present in all of your forces. This slide tells you what a warrant officer is, and what his role is in the army.¹ There are currently over 13,000 warrant officers in the active army. These are the career fields in which we have warrants. Warrant officers serve repetitive assignments in one narrow career field. Also, there is not necessarily progression by echelon--movement from lower to higher echelon units as experience is gained. A mechanical maintenance warrant officer, for example, may serve at battalion level throughout his career, while a

1 A warrant officer is a highly skilled technician who fills positions above the enlisted level which require specialized skills and training not generally found in a broadly trained commissioned officer. His rank is below that of a second lieutenant.

warrant in an intelligence career field may begin his service at corps level and never serve at a lower echelon. Over 99 percent of our warrant officer procurement is from active army enlisted soldiers. Enlisted soldiers with from 6 to 10 years of service constitute the prime grouping from which warrant officers are selected. The exception is aviation warrants, who are, for the most part, procured earlier. Procurement is accomplished through a centralized selection board, to fill vacancies by specific occupational specialty.

Let's move now to the commissioned officer side of the force and discuss the Officer Personnel Management System--OPMS. Like our other personnel management systems, OPMS is a career-long integration of sub-systems that bridges an individual officer's entire career, from accession to separation. Let me say, first of all, the OPMS does not apply to officers of the Army Medical Department, the Judge Advocate General's Corps, and Army Chaplains. These officers are managed separately, and I will not address their management. The objective of OPMS is to meet the army's needs by developing officers with the right skills in the right numbers. Under OPMS, an officer is inducted into the army in one of the entry level specialties where we need lieutenants. He will be trained in a specialty and will serve the majority of his first eight years of commissioned service in that specialty.

When an officer becomes a senior captain or a junior major, army requirements dictate that he begin to serve in assignments outside his entry specialty. OPMS is a recognition of this fact, and an attempt to better prepare that officer for duties in a second specialty. During his eighth year of service, the officer will be designated with a second specialty, will receive resident or nonresident instruction to qualify him in that specialty, and will begin to serve assignments in the new field. Actually, OPMS is a refinement of the previous personnel management system for officers. Despite the dual specialty approach, OPMS is not geared toward producing narrow specialists in the officer corps.

Today's environment is becoming more and more complex--both in a technical sense, with more sophisticated command, control, and weapons systems--and in a managerial sense. We expect an officer's viewpoint to continually broaden as he gains rank and experience. OPMS is a system designed to support that broadening perspective--to develop officers not just in two specialties, but to qualify them to take that broader view as they advance in the army.

We've covered a lot of ground today. And there are a number of personnel sub-systems which I did not touch upon. Perhaps you would like to question me concerning any area of interest which I didn't cover. I'll give you a chance to do that, but first--let's return to the human goal.

In closing, I want to emphasize that all of the personnel sub-systems--the promotion system, the training system, the assignment system, and so on--all of the systems built in support of the human goal, are designed and focused on manning the force structure of units at the required level to maintain readiness.

And now, I'll entertain your questions. Thank you.

PACIFIC ARMIES MANAGMENT SEMINAR - II

16 - 20 April 1979

PANEL DISCUSSION ATTENDEES

PANEL I

* Col Edgardo A. ALFABETO
Col Harry CHING
Col Jimmy HOW
LTC ABOO Samah bin Aboo Bakar
LTC CHOOCHART Hiranraks
LTC William E. CATES
LTC Lima DOTAONA
*** LTC Patrick J. KIRWIN
LTC Donald J. MACK
LTC Sung Kang PARK
LTC SURYANTO Suryokusumo
LTC Herbert G. THOMS
** LTC Ronald D. TURNER

PANEL II

* Col KONG How Weng
Col John F. BEHNEMAN
Col Dalmacio G. PIZANA, Jr.
Col RINTO Sulaeman
Col Charles M. WILLS, Jr.
Mr. Tu'a TUPOU
LTC George CROFOOT
** LTC Charles L. GORDON
LTC HANTOE Jotikasthira
Maj William K. HALL
Maj Jung Chul PARK
Maj Jong Sung YOON
Capt LIM Swee Say

PANEL III

* Col Young Chul NOH
Col Hubert K. BARTRON
Col Cesar F. TAPIA
Col Solomon KAULUKUKUI
LTC Ary MARDJONO
LTC HARBANS Singh
** LTC Thomas G. THOMPSON
LTC Donnie D. PEARCE
Maj Joseph P. SAFFRON
Maj Fetu'utola TUPOU
Maj YEO Kok Phuang
Capt VAN Anand

* Chairman
** Recorder
*** Alternate Recorder

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

PANEL DISCUSSION ATTENDEES

ROVING PANEL MEMBERS

Col George A. BERG
Col Patrick B. O'MEARA
Col Robert I. THORPE
Mr. S. G. JOHNSON
LTC Akihiko KURUSHIMA
LTC Mohammad SADIQ Khan
LTC Mizuho KOIZUMI
LTC John H. REDD, Jr.
Maj Samuel R. JONES
Maj Joseph L. ZEHNDER

PANEL AUGUMENTEES

Col James C. BLEWSTER
Mrs. Janice B. WESTBERG
Mr. James F. BORDEN
Mr. Kenneth E. GINTER
Maj Curt A. PLASTER
LTC Willard E. BAILEY
Maj Bette A. FLICK
Mr. Lewis P. FUDDY
Maj Paul BATTAGLIA
Mr. Thomas YAMAMOTO
Mr. Donald DANDURAND
LTC Frank SZUSTAK
Mr. James T. IKEI
Mr. William TISDALE
Mr. Kenneth E. GINTER
Maj Dan ROY
LTC Ronnie J. RENFRO
Mr. Don MORGAN
Capt Howard T. SUGAI
1LT Paula K. WEGMAN
LTC John PEARSON

PACIFIC ARMIES MANAGEMENT SEMINAR - II

PANEL DISCUSSION TOPICS AND REPORTS

TUESDAY - 17 April 1979

"Manpower and Personnel Management"

PANEL I

Discussion Topics: 17 April 1979

1. Manpower Management Policies/Allocation of Manpower
2. Civilian Employees/Contractual Services

Manpower Management Policies/Allocation of Manpower: Although the trained officer or technician is almost always in a position to make more money as a civilian, the armies represented in the panel attempt to pay enough money to retain qualified personnel. Most armies pay extra money for highly trained specialists -- for example, doctors, pilots. The infantryman, the person without whom an army is but a "paper tiger," is needed, and special measures are needed to gain, and retain, soldiers in the difficult field of closing with the enemy face-to-face. Young soldiers generally prefer to be cooks, drivers, or truck drivers -- skills needed in civilian life. The consensus was that we really don't do very well by our infantrymen. The United States Army pays a substantial bonus to young men who volunteer for the combat arms and who reenlist for them. This program appears to be successful. Singapore, for example, pays a bonus for soldiers joining their elite commando unit. These commandos are also paid an extra \$100/month - \$50 of which goes into their pocket and \$50 into a fund which cannot be touched until the soldier completes six successful years as a commando. If the soldier cannot "make the grade" or decides to quit, he does not get the money which has been set aside for him. This idea appears to have merit for wider application.

Armies involved in active combat operations generally pay "combat pay" to soldiers involved directly in the fighting. Generally, it appears that the armies do so on a selective basis to the men actually involved in the fighting. This is compared to the US system in Vietnam which saw payment of combat pay to everyone in, above, or off the coasts of Vietnam. The US system was very expensive, and gave no bonus to the soldier who actually did the fighting. The combat infantrymen got the same "combat pay" as did the manager of an officer's club in Saigon. Extra pay for the soldier who does the dangerous and dirty work is possible and recommended -- caution is needed to insure only deserving people receive this extra money.

Soldiers can also exchange unused leave for cash in several countries. The US officer cannot do this except upon retirement when a maximum of 60 days can be cashed in. The US enlisted man can do it when his term of service is up and he is ready to reenlist (every six years as a rule). Singapore allows most soldiers to exchange 1/2 of their authorized 30 days of leave each year for cash. The panel appeared to agree that some system which allows for the exchange of unused leave for cash is useful, although the concept of leave itself is indorsed as helping strengthen family ties as well as giving the soldier a much deserved rest. Forced leave may sometimes be necessary.

Special pay for special skills was discussed. Extra pay for doctors, for example, in a volunteer army is deemed necessary. On the other hand, there were questions as to whom special vocational benefits should be paid. If it is true that most young men seek glamour of potentially high-paying civilian job training positions while in the army, then it is possible that many of our armies are taking the wrong approach. Perhaps we should look at paying our combat arms soldiers (the ones with dirty and dangerous tasks - the infantry soldiers or commandos) a higher wage to begin with than we pay the computer specialists. This may help retain qualified infantrymen. The computer specialist should be required to enlist for a longer period, be forced to extend his enlistment for a specified period each time he receives formal training, and might even be placed under a system similar to Singapore's where a part of his salary is placed "in trust" to insure he fulfills his contract. If we need qualified infantrymen, we need to pay them to get them into the field and keep them there. If a young man wants to go into the army to learn or develop skills which will provide him the training and experience needed for transition into a plush civilian job that is fine -- but we need to get our "pound of flesh" -- we need to insure that we demand more service time of the "soft skill" and technical personnel who receive free army training than we demand from our combat soldier. Perhaps this approach will give us both highly trained technicians with critical skills and highly motivated combat arms soldiers. The idea is worth study!

Several armies give additional benefits to their soldiers. Low cost home and car loans to professional soldiers are available in several countries. Education assistance, either free tuition on a competitive basis or a soldier/army shared system, is widespread. Again, such assistance should be for proven "good soldiers." Any extremely liberal system, such as the United States Veterans Administration Education System which allows any soldier, no matter how bad or how good, to receive several years of education at the taxpayer's expense even after being kicked out of the army for lack of motivation or aptitude, is considered both wasteful and counterproductive.

Civilian Employee/Contractual Services: This topic was not discussed due to depth of discussion on the first topic.

PANEL 11

Discussion Topics: 17 April 1979

1. Evaluation/Appraisal Systems
2. Personnel Management and Training
3. Personnel Turbulence

EVALUATION/APPRAISAL SYSTEMS. The first topic led to a very lively discussion. The panel talked about the Officer Efficiency Report. The subject of performance evaluation is a very emotional issue in all armies. The exact system used differs with each army, but every army represented on the panel had a written report of some kind. Everyone agreed that the report could not be used as an end in itself, but had to be used in conjunction with military assignments, schooling, and other indicators. Still, there is no question of the value of the written report for promotions and other personnel actions.

Slide #1 shows some of the main points the panel discussed. In some of the smaller armies, the written report is not quite as important because the officer makes a reputation that everyone knows about, and they don't always have to read the report to find out what kind of officer he is. All agreed that reports need to give special recognition to outstanding personnel and also to below average personnel. The narrative, or written portion of the report, is usually more important than the score. Everyone felt that the concept of having a rater, an indorser, and a reviewer is very important. In this way, the report undergoes a series of checks at each level of command. Sometimes the checks don't work, so the officer must have recourse to some sort of grievance system where he can challenge the report. The panel felt that the most important part of personnel management is counseling. The rater must have the moral courage to tell the officer where he stands. One good method might be to give the officer a pencilled, or provisional, report every three months. This report would tell the officer how he is doing and wouldn't go into his permanent file. When he finally got his permanent report, there would be no surprise.

The panel had some disagreement but felt that a board, which reviewed the officers' files, was the best way to select the best officers for promotion and other personnel actions. How to identify differences in degree among outstanding officers is a problem for all of us. Most of what the panel discussed for the officers' report is also applicable for the NCO.

PERSONNEL MANAGEMENT AND TRAINING. (Slide #2). The panel disagreed as to whether an officer really needs formal training in this area at battalion level and below. Only a couple of the members felt that formal

training was necessary. Most of the members felt that personnel management training is simply a function of command. The new officer is taught by his company commander how to manage personnel. He learns by on-the-job training and observing his commander. One panel member made the comment that, "A good commander has good troops." Another panel member stated this another way. "There is no such thing as a good commander with bad troops." The panel identified the following advantages and disadvantages to formal personnel management training: (Slide #3)

- An advantage is that it sets the same standards throughout the army.
- But formal training is not as effective as personal guidance by the commander. Also, there is not always enough time to conduct formal training.

PERSONNEL TURBULENCE. The last topic the panel discussed was personnel turbulence which was not discussed in detail due to time limitations. One member gave an example of how training is tied to turbulence. In one army, it was found that a tank crew changed every three months with loss of personnel, new personnel, or people changing jobs within the tank. However, the lieutenant was training his crew on a six-month cycle. The cycle should have been changed to three months; but this would require additional expense for more ammunition. So we can see that resources and training are tied together and that both are greatly affected by personnel turbulence.

Another member gave an example of slow-moving turbulence. (Slide #4). His army expanded greatly during a war. Over the following years, there was a big hump in the grade system, first at the lower levels of lieutenant and captain. Ten years later, there were too many in the field grades. Finally it reached the colonel level, and when the colonels retired, the army lost a great amount of experience. Many panel members felt that, in any army, experience at the top has to leave to make room for younger officers on the way up. Otherwise, there will be a slowdown in promotions, which could cause outstanding young officers to get out of the army. However, promotions must be carefully planned to preserve the rank structure.

In summary, there was one point all agreed on: In anyone's army, when you are managing personnel there is no substitute for good leadership.

PANEL II

Slides

SLIDE 1

IMPORTANT PARTS OF RATING SYSTEM

- Service Reputation
- Outstanding/Poor Performance Noted
- Narrative Portion
- Rater, Indorser, Reviewer
- Grievance System
- Counseling

SLIDE 2

PERSONNEL MANAGEMENT TRAINING

- Is It Really Necessary???

SLIDE 3

PERSONNEL MANAGEMENT TRAINING

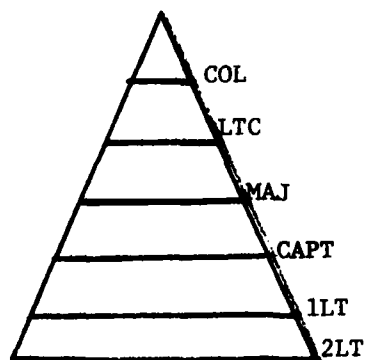
Advantage

- Standardization Throughout the Army

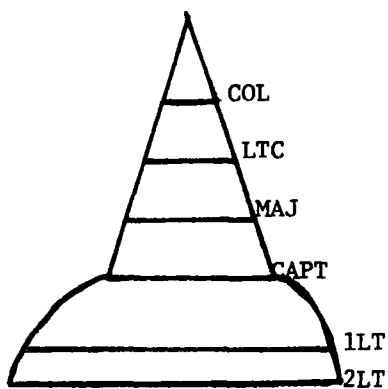
Disadvantages

- Personal Guidance More Effective
- Not Enough Time!

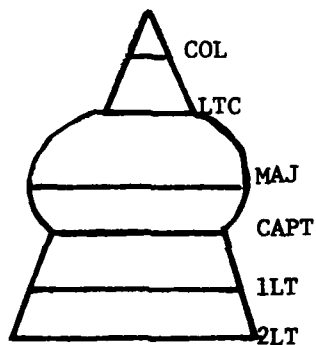
SLIDE 4



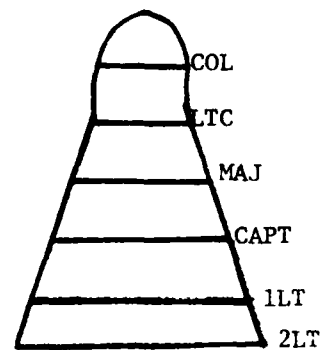
NORMAL
STRUCTURE



1950



1961



1970

PANEL III

Discussion Topics: 17 April 1979

1. Assignment Policy
2. Role of Female Soldiers
3. National Guard/Reserve Components

Assignment Policy: The panel reports that in all countries the assignment function is centralized at the highest army level. There was a consensus that in order to permit the commander to act in the full sense of the word, assignment policy must be partially decentralized, and that assignment decisions should not be dictated to commanders. This philosophy remains academic, and under pressure of other practical considerations, assignment policy is usually centralized.

A centralized system of assignments does not give the commander choice of subordinate commanders or deputies. The larger the service, and the less you know all the officers or NCO's, the more you need a centralized system. One country has a centralized system; however, due to the smaller size of the army, the "old boy network" plays a major role in assignments.

Large armies use a combined system of centralized and decentralized assignments. For example, an officer is assigned to an army area or division, and his assignment within the organization is designated by the commander. It was agreed that if a person expected an assignment to one position, and upon arrival at a unit was given another assignment, he would be demoralized. Assignments under a centralized system should be firm, and decided prior to arrival at an installation or unit.

All countries assign personnel for 2 to 3 years at one post or station.

Priorities and allocations are established by political and military objectives and considerations. In one country, combat companies are allocated 100 percent of requirements, but support and other units less than 100 percent.

It was reported that all armies have a shortage of personnel, and must use a system of priorities and allocations.

The final discussion centered around the fact that assignments are for the most part only difficult at certain levels, such as general officers, division, brigade, and battalion commands, and command sergeants major. Politics play a large role in the assignment of general officers.

The panel concluded that centralized assignment policy does not give commanders the choice of subordinate commanders or deputies. Due to

size of armies and other considerations, combinations of centralized and decentralized systems are best. Assignments every 2 to 3 years are standard in almost all countries. Informal or "old boy networks" are common in all armies. Shortages of personnel make priority and allocation systems necessary. Priorities are driven by political-military decisions.

Role of the Female Soldiers: The panel reports that women have a definite role to play in the army. In some countries, manpower shortages or low male birthrate requires that women be utilized in the services. Percentages range from 4 to 7 percent, depending on the country, culture, and size of the military. The consensus is that women cannot be assigned in combat jobs or jobs which require physical strength.

Women have many limitations: upper body strength and lifting ability are prevalent.

In many armies, even though women are taking on additional responsibilities, discrimination still is prevalent. Women are not given equal assignments or equally demanding tasks as are men. Women should be assigned duties and judged upon the result of the job accomplished. It may take years of service to overcome long standing discrimination practices.

Another factor is credibility. Women have to prove themselves before they are accepted by the male members of the Army.

Women are now trained in the same established manner as men, live in the same barracks complex (on separate floors), and compete on the same terms as men. Women are attending some military academies to become officers.

In most armies women do clerical, administrative, or nursing duties. In one large army, 298 jobs in a division are open to women--all jobs except actual combat duties such as riflemen, or squad leaders.

Women have many characteristics that make them especially suitable for any service besides clerks or nurses. They have manual dexterity for teletype jobs or serving as parachute riggers, or intelligence jobs such as listening on radios, or jobs requiring language capability.

The panel concluded that women have a definite role in the army and can replace or make available valuable manpower. In addition, the role of women in the army is increasing. Limitations on women in the army are: Physical ability (lifting, stamina, endurance), cultural conditioning, discrimination, and credibility. Few desire women in a combat role.

National Guard/Reserve Components: Reserves are a second and third line of defense for the active army. They are needed to build up a strong army under full mobilization. No country can afford a large standing army in peacetime. Most national strategies depend on a reserve that can be quickly mobilized.

Some countries have individuals that will be called to duty. They train 2 weeks each year. Other countries have reserve units to which individuals are assigned. Entire units would be called to duty. This appears to be the best approach.

One country uses reserve units to "round out" active duty divisions.

A country must have a good mobilization system in order to call reserves to active duty and prepare them for combat. A good communication system is a necessity.

In some countries, the reserve is a voluntary force; in others, there is a mandatory requirement for service. The reserves are not able to attract large numbers of young men for service. Some countries have no chain of command from active to reserve units. One country has a system whereby an active army cell commands and controls a complete reserve unit. In another country, civilian commercial companies, such as truck companies or independent truck drivers, can be mobilized to support the army.

Most reserves have a lack of manpower, equipment, and money. Many countrymen do not want to serve under a threat of mobilization. Countries do not want to waste money on equipping a reserve force that may never be used. Priorities are such that money must be spent on the active forces, to the neglect of the reserves. The cost of a reserve force is great, but it is insurance for national survival.

The panel concluded that units are better than individuals for a reserve force. Communication and mobilization are important factors to have an effective reserve. Reserves must be provided manpower, equipment, and money like active forces and, although the cost for reserve forces is great, it is insurance for national survival.

TRAINING AIDS USED

PANEL III

- Slide 1 Women in the Army
- Role of Women
 - Assignment Limitations
 - Problem Areas
- Slide 2 Topics
- Women in the Army
 - Assignment Policy
 - National Guard/Reserve Forces
- Slide 3 Assignment Policy
- Centralized Control
 - "Old Boy" Networks
 - Priorities/Allocations
 - Difficult Levels of Assignments
- Slide 4 National Guard/Reserve Forces
- Individual vs. Units
 - Communicating to Reserves (Mobilization System)
 - Lack of Manpower
 - Lack of Equipment
 - Lack of Funds
- Slide 5 Conclusions
- Armies With Shortage of Manpower, or Low Male Birth Rates Use More Women

Women Have a Role in the Army

Assignment Systems are Characterized by "Old Boy" Net and
Politics at Certain Difficult Levels

National Guard and Reserve Forces are a Necessary Second
and Third Line of Defense, in Spite of Cost

PACIFIC ARMIES MANAGEMENT SEMINAR - II

PANEL DISCUSSION TOPICS AND REPORTS

WEDNESDAY - 18 April 1979

"Financial Management"

PANEL I

Discussion Topics: 18 April 1979

1. Long-Range Planning
2. The Budget Process
3. Financial Management Responsibility

Long-Range Planning: The panel began its discussion by first examining long-range planning. In turn, each country representative described his own military long-range planning system. Next, the panel sought to identify those techniques and methods which we shared in common. Finally, the panel detailed the elements which we believed should be used to determine the long-range plan.

In this manner we learned that most countries operate on a 5-year planning cycle with an annual review and update. Not all do though. One country, for example, devotes most of its resources to economic development -- military planning is therefore limited to an annual forecast. Another, much larger country, develops both a 5-year and a 10-year plan, but presents only an annual plan to its legislature for approval.

We agreed that the success of the long-range plan is not only a function of the military expertise applied to its development but is also heavily dependent upon a viable economic system, and a strong currency, to enable the plan to become a reality - as proposed programs become actual expenditures, the bills must be paid.

The panel also discussed at length, and quite vigorously, the interdependence of nations in developing their long-range plans. The United States resolve in SE Asia was cited as a critical factor in the planning of Asian nations for their future defense outlays.

All participants agreed that most long-range planning is constrained by financial considerations in its early stages, but as the plan gets closer to becoming a funded program, the impact of funding upon it becomes much greater. Eventually a tradeoff between the plan and the money available is reached -- the difference is the degree of risk or shortfall in achieving the plan which is acceptable.

Clearly, long-range plans are essential to the successful management of our countries' limited financial resources. It is through the plans that priorities are expressed and resources are identified to meet the objectives. Without a clear plan of the direction to be followed, nonrecoverable resources will be wasted, the efficiency of the supported force will go down and its combat effectiveness will suffer.

The panel ended its discussion of long-range planning by listing the elements which must be considered in its development. The first element is the national strategy, the second, the human resources available to execute it, and thirdly, the financial and economic burden it creates.

The Budget Process: Panel I then shifted its focus to the first discussion topic - the budget process . . . especially those methods used by each country to insert financial requirements into the process.

The panel initially focused on the budget process at unit level . . . in an attempt to determine the value of developing a budget to the unit commander. All agreed that the cost of certain items can be easily determined and expenses forecast -- items such as temporary duty travel and per diem costs, office supplies, even ammunition and fuel. The panel concurred that the question of how to measure the return in increased readiness a certain expenditure gives was beyond the scope of the discussion. Nonetheless, we talked about it quite extensively, describing standards of performance as they exist in the United States Army.

Further discussion centered about the process of developing the budget. All participants concurred that their budgets, in general, are developed from the smallest unit up, successively aggregated at higher echelons where they are pruned to eliminate unnecessary expenditures, overlapping and redundant effort. Certain items are budgeted at departmental level in all countries. These include military pay, food, and new equipment, for example.

Much of the panel's remaining time was spent discussing TUFMIS -- the US Tactical Unit Financial Management Information System . . . and its applicability to other nations. All concerned concurred that it could be a valuable management tool if the burden of its reports did not fall upon company level for preparation.

Financial Management Responsibility: Unfortunately, time ran out on the panel and the panel was unable to cover the third topic, Financial Management Responsibility, in depth. The essence of this topic -- that it is a shared responsibility -- did surface during the period.

In summary -- our panel believes that long-range planning must support the nation's strategy and be consistent with the resources available to implement it - human and economic. The plan, a good plan, provides the basis for effective budget execution.

PANEL II

Discussion Topics: 18 April 1979

1. Methods to Improve Financial Management
2. Zero-Base Budgeting
3. Role of The Comptroller

Discussion topics are very closely related, and the panel attempted to discuss topics separately; however, due to the close relationship, topics blended together in the ensuing discussion. Thus, discussions related to topics shown above are not separately identified.

The panel found that the first topic of improving financial management broke into two types--long-term management and the annual budget. Long-term management deals with such things as the development of new weapon systems. Since no one was involved in this area, the panel limited its discussion to financial management on an annual basis. The panel found that there are two basic problems, as shown on this slide. (Slide #1).

First, the budget must be submitted so far in advance that it is hard to accurately predict needs that far ahead. Even if you predict accurately, the cost will probably be affected by inflation before the year is up. Another problem is that there are restrictions on expenditures at each level of command, which tend to hamper the activities on which money can be spent.

The panel looked into specific ways to improve financial management. Basically, these methods fall into three categories as shown here. (Slide #2). The panel didn't spend much time on the first method: internal review. This is where an outside agency audits an activity. For instance, if a unit is using more fuel than can be accounted for, then an auditor might be sent down to see what is happening.

Most of the panel's discussion focused on the methods of review and analysis. This is where we continually look at ourselves, at our own activities, to regulate expenditures. One question that came up was how often this review should be conducted. Many countries do it on a quarterly basis. Perhaps it could be done more often--a monthly basis. This depends on how often you can get the data you need. There is no benefit in conducting a review with incomplete data.

Perhaps the most lively part of the discussion dealt with how to realistically determine requirements. At what level can requirements best be determined? If it is done at the lowest level, the commander may tend to inflate his requirements and the requirements may be re-inflated at intermediate levels of command. Hoping to get \$100,000, a commander may attempt to justify the need for \$120,000. He feels that if he only justifies \$100,000, he may only get \$80,000. Of course, this is anticipated at the highest level of command where the requirements usually get deflated.

If requirements are determined at the highest level, the decision maker may not be acquainted with the real needs at the unit level. Some of the armies stated that they set a basic minimum standard from above and then the units are required to fully justify increases in their budget as the year progresses. Whatever method is used, it will work best if it is based on trust, with full honesty at both the higher and lower levels of command.

One thing is apparent: Commanders can do their mission with less if they take the time to analyze their requirements very thoroughly. One of our panel members related the experience of his army during the fuel shortage of 1973. The entire army was forced to take a 50% cut in gasoline usage. All of the commanders immediately protested that they would not be able to perform their missions. The fuel was carefully monitored, and every small increase had to be fully justified for each unit. Now, 6 years later, they have found that the army can perform its mission with 30% less fuel than they had before 1973.

Finally, the panel discussed the role of incentives and disincentives. One panel member felt strongly that units should be able to build up a reserve in funds. For instance, if they saved money on fuel, then at the end of the year they should be able to use that money to repair troop billets or spend it otherwise. This may be easier in the smaller armies. Another panel member remarked that his army has an incentive system whereby the unit which continues to do its mission well, while showing a savings in money, is picked at the end of the year as the best unit in the army.

On the subject of disincentives, the panel asked how to go about penalizing those who purposefully inflate their budgets. No one seemed to have such a penalty system in use, because it is relatively easy for a commander to justify the need for additional money.

The discussion of zero-base budgeting was interspersed with previously related material. Although the name, or term, zero-base budgeting is new to some of us, the idea itself is not new. Several members said that their armies started with a basic allotment or "core" for each unit

and then proceeded to justify any additions. The core is not necessarily the same as what was spent the previous year. Determining the core is the key to the problem. After that, each additional package can be justified and prioritized.

Finally, the panel briefly discussed the role of the comptroller. The panel did not have time to go into every function. The panel discussed the matter and found that every army has a comptroller, although the name may be different, such as the Director of Finance. Some comptrollers are civilian and some are military. The comptroller allocates money and keeps track of what happens to it during the year. The process tends to be decentralized at first, with commanders given certain allocations which they proceed to use on their own. At the end of the year, the process becomes centralized. The comptroller then reallocates any money not spent to needed projects such as engineer construction. The comptroller advises units when they are spending money too fast. Reallocation of funds at mid-year is sometimes quite difficult, especially when all commands are over-spent at mid-year. This is what really gives the comptroller headaches.

The panel concluded that some of the armies have to justify their expenditures more than others, but all have limited funds. It is certainly apparent that money is a problem for all armies and that all are constantly looking for better ways to manage.

PANEL II - FINANCIAL MANAGEMENT

Slides

SLIDE 1

Financial Management - Basic Problems

- Budget must be submitted far in advance
 - Hard to predict needs
 - Affected by inflation
- Restrictions on expenditures at each level of command

SLIDE 2

Improving Financial Management

- Internal Review
- Review and analysis
- Incentives/Disincentives

PANEL III

Discussion Topics: 18 April 1979

1. Ways and Means to Financial Savings
2. Contractual Services
3. Role of the Financial Manager

Ways and Means to Financial Savings: There are many ways and means to financial savings, limited only by one's imagination. The panel discussed ways and means for the commander to use policy, programs, and training to improve resource management of training, ammunition, fuel, repair parts, and rations that can result in substantial financial savings.

Training programs must be properly planned in detail to prevent waste of resources, time, and money.

Every country admitted financial losses in training qualified technicians, and then losing them to civilian jobs. The solution appeared to be mandatory terms of service for special training schools or oversea schools.

Substantial ammunition savings can be achieved by using subcaliber training devices. There are many subcaliber devices for artillery, tank weapons, and other recoilless weapons that can be used for training to save money. These devices should be used especially in the initial phases of training new personnel.

The Artillery has developed an "OBSERVED FIRE TRAINER." It is a system involving a movie screen displaying targets. Forward observers sitting controlled distances from the panorama of desert, mountains, or jungles displayed on the screen adjust artillery fire. This device alone can save substantial money for service ammunition in the training of forward observers.

In addition, new devices are now available such as laser beam training devices for weapons that save service ammunition, but result in target hit or miss and excellent training for the soldier.

Countries that have to buy all ammunition externally can save by contracting the purchase of ammunition with a nearby large user of ammunition.

Central control at all levels will result in fuel savings. The combining of trips to the same location will save fuel. Incentives are very important. For example, if a unit strives to save fuel, credit should be provided in another area, such as additional money for supplies or training. Vehicles should never idle while waiting for passengers. In training, shorter displacements and road marches can usually accomplish the same training objectives.

A good training program is absolutely necessary to train drivers and mechanics in order to save on repair parts. Sometimes an adjustment is necessary, and a new part is not required. In one case discussed, whole truck engines were being exchanged for the lack of an adjustment.

Most young men today have grown up with the automatic transmission. When confronted with the conventional stick-shift transmissions, they cause maintenance problems. A proper training program can solve the dilemma.

Training on the use of test equipment is absolutely necessary.

One way to save time and spare parts is to contract maintenance out to local garages and truck repair facilities.

"A unit does well those things a commander checks." The commanders at all levels must get involved in this program to insure savings.

Open or local market purchases can save money. Some armies grow their own food.

At the installation level, financial savings can be realized on construction, renovation, and engineer projects. Since the projects are developed and executed with long lead times, continual review of the programs is necessary. If after a time the project is not needed, it should be cancelled or revised. The question: "Do we still need the project?" should be periodically asked.

Cost consciousness programs are helpful and create incentives for financial savings competition among battalions of a brigade or companies of a battalion. One army continually reviewed the cost in expenditure of ammunition in guerrilla warfare.

Financial resources should be allocated to the lowest level of command for management; i.e., the battalion or company. "These are your resources to manage your program." If the next level of command changes the program they must allocate more resources. Periodic inspections by higher headquarters will improve the management procedures.

The panel concluded that financial savings can be realized. Training must be properly planned to preclude waste of resources. Subcaliber devices can be used. Maintenance training programs will save money. Central control of fuel resources is necessary. Local or open market purchases usually save money. Costly programs must be reviewed periodically. Cost consciousness programs are helpful, and savings are realized if resources are managed at the lowest level.

Contractual Services:

There are many reasons why an army might want to contract services rather than accomplish them with troops. One of the most important reasons is to save money. Most financial savings are not in the near term, but in the long term.

Many types of services can be contracted: grass cutting and grounds maintenance; janitorial services; maintenance; kitchen and dining facility services; aircraft maintenance; guards for facilities.

Each potential contractual service must be carefully analyzed to determine the advantages or disadvantages of going to a civilian contractor. Financial savings may not be the only benefit.

If a country must contract services from outside the country, it runs the risk of losing the service in an emergency or in wartime.

Advantages of Contractual Services

Money saving.

Not necessary to have a large training base for skills to be contracted.

Civilian management.

Civilian hired skills.

No long term costs: retirement, medical, etc.

Disadvantages of Contractual Services

Labor disputes.

Price squeeze by contractor.

Contract services from outside country.

Some services contract the whole post or station support function so that the military personnel are free to do their combat training programs.

Some countries, in their desire to be self-sufficient, do not contract any services. Small armies are at a disadvantage and cannot contract services like larger armies. It is not as cost effective.

The ultimate question is: How reliable is a contract? Can we go to war on a contract? The final answer must be that we can only contract those services that do not in any way degrade readiness.

The panel concluded that contracted services can save money. Potential contracted services must be carefully analyzed. A contract must be reliable in wartime. No service should be contracted that reduces readiness.

Role of the Financial Manager:

Trained financial managers are needed in the Army assigned to the lowest level to assist the commander who is allocated the resources.

It is important that financial managers, once assigned, use a common language understood by all. The manager must interpret policy rules and regulations in a manner enabling commanders and operators to understand the policy and procedures. They must put financial concepts in terms that all first line supervisors understand.

The funds and a financial manager must be assigned to the program directors who are responsible for management of the resources.

Some armies have neither trained financial managers nor cost accountant-analysts. In effect, then, the commander is responsible. He depends on feeder reports sent to him, and inspections to determine his management abilities.

Financial management in combat or wartime moves up to higher and rear area headquarters. War is not economical. Mission accomplishment takes precedence over money savings. Resources must be expended to win the battles, without regard to savings. It is up to higher headquarters to allocate resources based on realistic priorities.

The panel concluded that resource management should be at the lowest command level and that trained financial managers should be assigned at the level of resource management. Financial managers must use a common language understood by all. In addition, financial managers must interpret concepts for the commander and first line supervisors. Periodic inspections will improve procedures. War is not economical; therefore, financial management loses priority in combat.

TRAINING AIDS USED

PANEL III

- Slide 1 Discussion Topics
- Ways to Financial Savings
 - Contractual Services
 - Role of the Financial Manager and Level of Assignment
- Slide 2 Ways to Financial Savings
- Training: Good Planning
 - Ammunition: Subcaliber Devices
 - Repair Parts: Good Training and Maintenance Programs
 - Fuel: Adequate Controls
- Main Points
- Direct Involvement by Commanders
 - Cost Consciousness Programs
- Slide 3 Contract Services
- What Can Be Contracted?
 - Is There a Financial Savings?
 - Advantages?
 - Disadvantages?
- Slide 4 Role of the Financial Manager
- Role:
 - A. Develop Common Language Understood by All
 - B. Interpret Systems and Concepts So That All Understand
 - Appropriate Level for Trained Financial Managers
(Div, Bde, Bn)
 - Financial Management in Combat

Slide 5 Conclusions

Financial Savings Can be Realized

Contractual Services Have Both Advantages and Disadvantages

Trained Financial Managers Should be Assigned to Level That
Has Responsibility

Financial Management in Wartime Is Non-existent.

PACIFIC ARMIES MANAGEMENT SEMINAR - II

PANEL DISCUSSION TOPICS AND REPORTS

THURSDAY - 19 April 1979

"Facility, Materiel, and Automation Management"

PANEL I

Topics: 19 April 1979

1. Role of the Director of Industrial Operations
2. Organization for Materiel Management Functions

Role of the Director of Industrial Operations (DIO) and Organization for Materiel Management. The DIO, US Army Support Command-Hawaii (USASCH), participated in the panel discussion period and explained his responsibilities (supply, maintenance, support services, housing, and local procurement). The DIO is the installation logistician and is also responsible for assisting the 25th Infantry Division in materiel readiness. He also provides logistics support to Guam, Johnston Island and Enewetak. He is responsible for maintenance of equipment and its utilization; is in charge of aircraft, clothing, transportation, and ammunition support; support of communications equipment; and repair of vehicles and furniture. He provides laundry, mortuary and cemetery services, and has operational control over two transportation units. To perform these functions, the DIO is organized as follows:

Administrative Office: This office takes care of administrative support; operates 26 ADP systems for control of supplies and maintenance; and provides two special staff elements and the Supply Systems and Evaluation Team (SSET). This team has responsibility throughout Hawaii for supply activities, identifying shortcomings, and helps to solve their supply problems.

Energy Office: This office is charged with developing and monitoring programs to conserve energy.

Plans and Operations Division: This division is responsible for the logistics planning and operations -- called the direct support system (DSS). Under this system the unit supply activity submits its requisition for supplies or equipment to the mainland with shipment made directly to the requestor.

The DIO is a member of the Hawaii Joint Interservice Resource Study Group. Once a month, the DIO meets with logisticians from the Air Force, Marines, and Navy to discuss interservice support agreements. As a result of this committee, there are approximately 200 such agreements. For example, the Army performs local moves for equipment and personnel for the Army, Navy, Marines, or Air Force. In return, the other services perform other functions/services for other services. Regarding interservice support agreements, the DIO stated he had interservice agreements in connection with purchases of large quantities of packaged lubricants used by all services. Instead of each service buying them, one service buys them all. The US Army in Hawaii has no cold storage facility. By agreement, the Navy performs this service for the Army.

Maintenance Division: This division operates five shops to help maintain all equipment belonging to the 25th Infantry Division, Army National Guard and Reserves to include tactical and administrative vehicles, small arms, fire control instruments, overhaul of engines and transmissions, power generators, watercraft, forklifts, clothing, and canvas.

Transportation Division: This division is responsible for sedans and buses, landing craft, and utility boats assigned to US Army activities in Hawaii. It also provides transportation services.

Supply Division: Responsible for inventory management and storage of materiel. In conjunction with the US Navy in Hawaii, this division is responsible for receipting and accounting for munitions. The US Navy provides munition storage only. The US Army issues, provides accountability, and secures.

Services Division: This division is responsible for subsistence to include combat rations, the kitchen police program, laundry for both troops and hospital; it operates the cemetery and supports the Hawaii Army National Guard in annual training periods with food and laundry.

Contract Division: This division buys everything not supplied through the Army supply system. For example, if units need wheelbarrows, the Contract Division signs a contract with a local company to procure this item. This process covers items not carried in the supply system.

Conclusions: The panel agreed that organizations such as the DIO can be of great assistance to the combat commander in carrying out supply and support responsibilities. Panel members concluded that interservice support agreements are an efficient means of giving full support without adding extra administrative people to each service. The panel also agreed that proper troop support is a command responsibility and that commanders must take an active interest in all aspects of soldier welfare to insure combat readiness.

PANEL II

Discussion Topics: 19 April 1979

1. Role of the Facilities Engineer
2. Automated Management Systems

ROLE OF THE FACILITIES ENGINEER. In our discussion of facilities engineering, the panel discussed common problems, how the facilities engineer or his counterpart is employed in various countries, and the role of automation. The panel then moved from automation as it applies to facilities engineering and to a discussion of automated management systems in general. The first problem was to define what was meant. Next, the panel agreed that special training of personnel is necessary and that these special skills lead to a problem in retaining the personnel.

There is a common frame of reference. None of us have enough money to do everything we want, so we must establish priorities. All of us use some system to establish these priorities, but the systems vary considerably from country to country.

There are three main problems in facilities engineering. First, the one already mentioned--how to decide what work should be done; that is, how to establish priorities to allocate our resources. Then there is the decision of whether to do new work or simply try to maintain the facilities we already have. And finally, how should we do the work? Should we use our in-house forces, troop labor, or contract the job out?

Not every country has a facilities engineering agency. One panel member related that this type of work is done by combat engineers in his country. If it is beyond their capability, then the work is contracted--but much of the planning is still done by the combat engineers. In another country, there is a public works department which is composed of civilian engineers who do all the work for the government, to include that required by the defense forces. Still another country has a defense facilities administration agency which is responsible for construction.

In determining priorities, the engineer does not decide where to spend the money. This is a command function. It can be done by an installation review board, or by the army's general staff, or simply by a meeting of the different commanders who have competing requirements.

One thing common to most of us is that it takes a long time to get a new building built. Money for military buildings seems to be one of

the lowest priorities in all of our governments, regardless of the great need for them. Sometimes we have to look for other solutions. One panel member said that his forces have an engineer forestry battalion which is normally engaged in logging operations. This battalion has been put to use cutting the logs into lumber and erecting pre-fabricated buildings. So here there is less capital outlay of money, mainly maintenance and operating expenses. This is unique in that troop labor is used not only to build, but also to get the building materials. Another country has rural development engineers. Young men from the countryside are brought in and trained in elementary construction techniques. Squadrons of the unit then go out and erect buildings. They then take their new-found knowledge back to their village to help develop the rural areas.

Finally, the panel touched on the subject of using automation in facilities engineering. It is possible to store a great deal of information in a computer--such as the age of a building, original cost, type of construction, state of maintenance, etc. But the computer cannot tell us when we should perform work on particular buildings. A computer might be able to tell you which buildings have bad plumbing, for instance, but the engineers must make periodic visits to check out the actual state of repairs. A computer cannot make your decisions for you.

AUTOMATED MANAGEMENT SYSTEMS. The panel's first problem was to define terms. An automated management system implies a big overall system. This is not the case. Instead there is usually a number of different automated systems, all of which provide management information. In the US Army, almost all management systems are automated to some degree.

The United States has experienced some problems with automation that some of the rest of us are beginning to feel. For instance, we all know that a high level of training is required to produce computer personnel. Schools are highly selective.

Once we have these highly-trained personnel, there is a problem of retaining them in the Army, because of the competition with the civilian sector. In the United States, this problem has been lessened somewhat by the fact that newer automated systems require less skill by the operator and more knowledge by the user. Also, most of us don't train our soldiers to become computer experts. The technical jobs are often done by a civilian work force whose pay is roughly equivalent to the outside civilian sector. Another solution is to contract the work. Finally, the US Army has found that centralizing the design organization has helped retain personnel. By centralizing, a fertile training ground is created and there is more room for people to get promoted. By centralizing the design system there are not as many support needs and less need for maintenance personnel.

In conclusion, regardless of the size or status of a country, it appears the computer is here to stay. Sooner or later we are all going to be using them to some degree. We'd better learn now to anticipate and solve the automation problems we know we are going to face.

PANEL II

Slides

SLIDE 1

Facilities Engineering - Main Problems

- . What work should be done?
- . New work or maintenance?
- . How should the work be done?

SLIDE 2

Retaining ADP Personnel

- . Newer systems require less skill
- . Civilian work force
- . Contract the work
- . Centralize systems designing

PANEL III - REPORT

Discussion Topics: 19 April 1979

1. Materiel Management in the Reserves
2. Requisition/Accountability Systems
3. Supply Procedures

Materiel Management in the National Guard and Reserves: Once a country has made the decision to base its national strategy on a reserve force, it is confronted with the problem of materiel management of this force. Most reserve organizations can be outfitted with personal gear and rifles without a large outlay of money. The more sophisticated units (armor, artillery, and units with trucks, etc.) cost a good deal more. The relative shortage of equipment and resources makes materiel management for reserves a very important subject.

A priority system is important. An army must establish what reserve units are required for mobilization. These units should be the most important for supplementing the active forces. They must be assured priority of supplies and equipment. Other units can be mobilized and equipped by a less urgent timetable.

There are a wide variety of reserve organizations. Each army has its unique reserve force, mandatory requirements and management systems. The strategic objectives are the same. Management systems vary among countries to support reserve forces. The common thread is the association and interface with the regular or active forces. Each reserve force of any country in some manner interfaces or affiliates with the regular forces, and the reserve force resource management systems generally follow the active force system.

One large army has a National Guard system, an Active Reserve and an Inactive Reserve. The National Guard belongs to the State. It can be federalized to join the active force. The reserve units affiliate with a division for training and training support. The Inactive Reserves is an individual system whereby personnel are called to active duty by skills in order to fill up unit shortages.

Another country has a multidivision force that is area oriented. It is organized, equipped, and trained in one area to supplement active forces, and to protect that area.

Another army has a regular cadre that commands and controls a reserve unit. They call the unit for training and evaluate the readiness. These units are fully equipped and in a short time join side by side with regular forces. The cadre services and maintains the reserve unit equipment on a regular basis, using the active force management system.

Management systems vary as widely as the reserve system. Some countries use an area system, while others support reserves on a unit basis. One country has a common log base for all services, and active and reserve units as well. The panel concluded that management systems for reserves parallel regular force systems.

Smaller armies have manual resource management systems. There is no need for computers. Almost all supplies, equipment, and necessities are local purchases, except ammunition and personal gear. Each unit is allocated a basic load. Operations reports are the basis of issue of more ammunition or supplies. It, in fact, is a requisition for additional supplies and equipment.

Most reserve forces are rifle or infantry battalions, and depend upon active forces for more sophisticated units such as armor and artillery.

Reserve forces are cost effective compared to regular forces. To have an effective reserve force, materiel management is vital.

The panel concluded that reserve forces supplement active forces in wartime. An effective mobilization system is vital. Reserves will be more effective with a sound personnel management system. A priority system must be established for allocation of equipment to reserve forces. Reserve forces should affiliate and train with regular forces. Reserve resource management systems should parallel active army resource management systems. Management systems should be evaluated periodically.

Requisition/Accountability Systems: There are a wide variety of requisition and accountability systems. Many countries have moved into an automated system of requisitioning items. Some countries use manual systems. Automation is coming. It is only a matter of time.

Some countries allocate a portion of money to the commander. He, then, purchases his support on the local economy. This negates the need for a complex requisition system.

Many countries use the US military Standard Requisition system (MILSTRIP). For the standpoint of standardization and interoperability, this has major advantages for a wartime supply system.

Requisition and accountability systems are usually standard among the active army and the reserve forces.

The panel concluded that each country has a unique requisition and accountability system. Most countries have standard systems for active and reserve forces. The US Military Standard Requisition System provides a means whereby all countries can standardize for interoperability.

Supply Procedures: The panel discussions again pointed out that there is a wide variety of supply procedures among armies of the Pacific.

The self-service supply system or "self-service store" offers many advantages. One central procurement office can procure all the low cost, high volume items. These items are carried in a "country store" at each installation. The unit is given an account number and an allocation of money. He can "shop" in the "country store" for administrative items he needs. By the central procurement of a high volume of items, an army can save money. In the meantime, the commander can pick up relatively low cost administrative items he needs, and at any time. This system is like a local purchase system, but money is saved by central procurement. The system also enables higher headquarters to monitor and control money spent for small items.

Some countries use a direct exchange (DX) system, especially for repair parts. This system, too, has many advantages over local repair arrangements. The army can control the repair parts items and return them to service via a rebuild system.

When units of an army are deployed to some areas of the country where there is no fixed installation, local purchase on the open market can satisfy requirements. In this case, the commander must be given the money to make the purchases. There is no central control over such a system.

The panel concluded that supply procedures vary from army to army. Self-service supply stores can save money and provide central control. A direct exchange system for repair parts can be responsive and save money. Local purchase systems can satisfy supply requirements but there is little central control.

TRAINING AIDS USED

PANEL III

- Slide 1 Discussion Topics
- Materiel Management in Reserves
 - Requisition, Accountability and Supply Systems/Procedures
- Slide 2 Materiel Management in Reserves
- Wide Variety of Reserve Organizations
 - Management Systems Vary Among Countries to Support Reserve Organizations
 - Materiel Management Systems Closely Parallel Regular Army Systems
- Slide 3 Requisition, Accountability and Supply Systems/Procedures
- Automation VS Manual
 - Self Service Supply
 - Direct Exchange
 - Local Purchase/Open Market
 - Self-Sufficiency Systems (i.e., Farms, etc.)

PACIFIC ARMIES MANAGEMENT SEMINAR - II

20 April 1979

CLOSING REMARKS

MAJOR GENERAL HERBERT E. WOLFF
COMMANDER, US ARMY WESTERN COMMAND

CLOSING REMARKS

MAJOR GENERAL HERBERT E. WOLFF

From the beginning, I had some question of how to address you. Let me simply say Gentlemen and Fellow Soldiers because those are the two greatest compliments that I have learned to pay in my 36 years of military service. All the important things that need to be said have been summarized and covered thoroughly. You've been together for five days and you've done your work well. I must express my personal appreciation for the contributions you have made which are not only significant in the context of the soldierly fellowship you have experienced here, but are also significant in terms of what we, the representatives of the American Army, have learned from you. I must say that one of the greatest things I enjoy at these conferences is how we, representing our different countries, wearing our diverse uniforms can get together with a common purpose, turn off the yellow light of caution, turn off the red light of fear, and talk freely with only the green light of professionalism lighting our way.

I want to thank the representatives from the 25th Division and the reserve components for their contributions. I also thank Colonel Berg and Maj Zehnder from the US Army Command and General Staff College and Colonel O'Meara from General Meyer's office, and I could go on.

A great deal of ground has been covered in the short time we have been together. I am sure that it will take time to reflect exactly how much has been learned and how much has been stored in your own individual memory banks and computers. I said at the outset when I talked to you that you had some big shoes to follow with respect to PAMS I. My observation is that those shoes were not large enough and I congratulate you on that.

I said at the outset that there were three resources--people, money and things. You have enlightened me and I accept that there are five resources--thank you for that. You also heard General Meyer talk about fighting capability and how it is the underlying thrust of what we do. I hope you will not forget that he identified three thrusts. The first, the thrust of readiness, which is immediate. The second is the thrust of modernization, which is indispensable. The third is the thrust of sustainability so that we are more than just a flash in the pan, able to respond for the first few days of conflict and then fizzle out because we don't have the logistics to keep shooting or eating.

We have reached a number of important conclusions here. Not all of them were new, but then there is little new in the military profession. Our principles of war date back to the year 350 B. C. Therefore I think it is important that we review the old now and then and don't lose track of the origins of our profession. Naturally, the word management has been mentioned probably more than anything else. There are at least three types of management that we accept: constructive management--the kind of management which builds hopefully on the foundation we have found when we took over our job; corrective management--the kind of management which improves, corrects the wrong that we find when we take over our job; and creative management--the kind of management which brings new ideas, new initiatives, and new concepts to bear. I wonder what kind of manager each of us is, which of these three categories we fit, and regardless of which choice we make we are wrong. We have a game which most of you know called baseball. The rules stipulate that, unless you touch all three bases, you don't score. And so it is with these three types of management. Unless we manage constructively, correctively, and creatively, we are in fact not managing. We are in fact not going to score. I know that you have reached that conclusion too.

We talked about personnel systems and personnel management; and I believe it came through very clear that the commander, to command, must have a voice in assignment decisions. General Maxwell Taylor in his famous book entitled The Uncertain Trumpet said that the leader must always be a certain trumpet--loud and clear so he is heard and understood. That is the way a leader or commander must play his role in the matter of personnel management. So often, those who call themselves personnel managers are not acting, but reacting because they were not understood and because they did not influence the selection of people for jobs at the right time and attempted to force a square peg into a round hole. This is a conclusion you reached when you listened to General Heiden, and something you will remember when you consider, for example, the role of women in uniform. They must be treated equally but they're not the same--they are different.

When it came to Automation Management and Computerized Management, I am sure you remembered my caution which said "that the most complicated piece of machinery with which we deal is still the individual, the individual soldier."

Gentlemen, PAMS is relatively new. This is only the second session. It has already made a reputation in my army, is supported, is accepted, and great expectations are associated with it. That is a direct compliment to those who participated in PAMS I and to you who have participated in PAMS II. You have established a yardstick and a standard for PAMS III AND IV and others to follow. But at the same

time, you also take with you a challenge--a challenge to be certain that whatever conclusions that you have reached, whatever lessons you have learned--don't merely remain shut up in your own memory bank, but are shared with others and passed on to others. We will make a minor contribution to that in terms of the reports which will be issued and provided to you. But the role of promulgating, of passing that word to others in your armies, is still a burden that rests on your shoulders. There is a second challenge I would ask you to take on. That is to make sure that those who will participate in PAMS III from your country can measure up to the standards that you have established.

Before I formally recognize each of you for the contributions you have made, I think it is only fair that I briefly recognize the support personnel who provided equipment and services that enabled us to do our work: Sgt. Huelett and the audio visual crew members; the Protocol staff which has contributed in many ways to our comfort and entertainment; the Public Affairs Section; and all the others whose efforts were so essential. Last but not least I recognize the Non-Commissioned officers, the stenographers, the sedan drivers and the PAMS Secretariat--will you please stand up and be recognized?

Now, I would like to recognize each of you and personally present to you the US Army Western Command Certificate. Thank you.

LIST OF PRESENTATIONS*

- "Airmobile Operations"
Lt Col Ray BOLAND, US Army
- "Management Training and Education"
Lt Col CHOOCHART Hiranraks, Royal Thai Army
- "Functions and Responsibilities of the Security Assistance Training
Management Office"
Lt Col John REDD, Jr., US Army
- "Induction, Classification, and Assignment in the SAF"
Col Jimmy HOW, Singapore
- "Enlisted Personnel Management"
Col Young Chul NOH, Republic of Korea Army
- "Manpower Management, Policies, and Programs"
Col KONG How Weng, Malaysian Army
- "Installation Management Principles and Organization"
Col George A. BERG, US Army
- "Philippine Army Financial Management System"
Col Dalmacio G. PIZANA, Jr., Philippine Army
- "Installation Financial Management"
Maj Joseph L. ZEHNDER, US Army
- "Financial Management - 25th Infantry Division"
Maj Samuel R. JONES, US Army
- "Installation Facility and Materiel Management"
Col George A. BERG and Maj Joseph L. ZEHNDER, US Army
- "Automation and Resource Management"
Col Robert J. WALLACE, US Army
- "Resource Management in the Territorial Commands"
Col RINTO Sulaeman, Indonesia
- "United Nations Peacekeeping Operations - Fiji"
Col Robert I. THORPE, Royal Fiji Military Forces

*Note: These presentations are not included in this text due to their length. However, copies of the presentations will be provided with the PAMS addendum containing General John R. Guthrie's remarks.

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

STEERING COMMITTEE

Col Nolan M. SIGLER, USA, Chairman

Col Robert Ian THORPE, Fiji, Member

Col RINTO Sulaeman, Indonesia, Member

Col Young Chul NOH, Korea, Member

Col KONG How Weng, Malaysia, Member

LTC Lima DOTAONA, Papua New Guinea, Member

Col Edgardo A. ALFABETO, Philippines, Member

Col Jimmy HOW, Singapore, Member

LTC CHOOCHART Hiranraks, Thailand, Member

Maj Fefu'utolu TUPOU, Tonga, Member

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

PLANNING COMMITTEE

Col Robert J. WALLACE, USA, Chairman

LTC Ary MARDJONO, Indonesia, Member

LTC Sung Kang PARK, Korea, Member

LTC AB00 Samah bin Aboo Bakar, Malaysia, Member

Col Cesar F. TAPIA, Philippines, Member

Maj YEO Kok Phuang, Singapore, Member

LTC HANTOE Jotikasthira, Thailand, Member

Mr. Tu'a TUPOU, Tonga, Member

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

HONOLULU, HAWAII

REPORT OF THE PLANNING AND STEERING COMMITTEES

REPORT OF THE PLANNING AND STEERING COMMITTEES

1. The Planning Committee, comprised of a second delegate from each participating nation, met on 17 and 19 April 1979. Colonel Robert J. Wallace of the host organization served as chairman. Committee discussed seminar frequency, costs, hosting and co-hosting, time, location, themes, and format for future seminars.

a. Committee discussed frequency for convening future seminars and recommended eight to ten months between seminars.

b. Committee reviewed the cost of hosting PAMS I and PAMS II (See Inclosure 1) and determined that the direct costs were less than \$10,000.

c. Committee agreed that attendees would have to consult with their superiors prior to offering to host a future seminar. Considering the time involved, members recommended that PAMS III be held in Hawaii with the US Army as host. The Philippines expressed a strong desire to host a PAMS very soon and agreed, subject to approval of their government, to host PAMS IV. Committee received a draft co-hosting proposal (See Inclosure 2) and briefly discussed this proposal.

d. Committee recommended PAMS III be held 21-25 January 1980 and PAMS IV be held between November 1980 and January 1981.

e. Committee agreed that the theme for PAMS IV should be "Insurgency" and recommended the following themes for PAMS III in priority order:

(1) Operations Planning and Management.

(2) Military Professionalism.

f. Committee agreed the format of old business, special subjects, and new theme should continue. The old business portion should be more meaningful to include a report from country representatives about how they applied lessons learned at the preceeding PAMS.

g. Committee strongly recommended that one attendee from each country at PAMS II also attend PAMS III. This will provide continuity and provide a point of contact between seminars.

2. The Steering Committee, comprised of the senior representative of each participating nation, met on 18 and 20 April 1979. Colonel Nolan M. Sigler of the host organization served as committee chairman. In its 20 April 1979 meeting, the Steering Committee discussed the recommendations of the Planning Committee and agreed to the following:

a. Committee discussed holding the Pacific Armies Management Seminar every eight to ten months as recommended by the Planning Committee. Members also discussed the possibility of meeting on an annual basis, but ultimately concluded that nine to twelve months between seminars was the best frequency.

b. Committee voted to accept the Planning Committee recommendation that PAMS III be held in Hawaii during the week of 21-25 January 1980. Committee agreed to the proposal that PAMS IV be held in the Philippines in November 1980 or in early 1981 with the Armed Forces of the Philippines serving as host. This proposal is subject to final agreement by the Philippine government.

c. Members discussed seminar support and suggested that the US Army continue to provide the Secretariat and be the repository for PAMS files. The US Army agreed to accept this role and offered the US worldwide communications network to assist other hosting nations prepare for and conduct future PAMS. Committee also discussed the need to obtain featured and distinguished speakers from the United States. Committee agreed that the US Army would be in a position to accommodate this requirement by continuing in the role of Secretariat.

d. Committee members suggested that time be allocated for questions following formal presentations and that topics for participating country presentations be furnished farther in advance. Committee concurred in these recommendations and agreed that panel members should not be designated by name by the Secretariat. Instead, countries should be tasked to furnish a member to each panel. Format of old business, special reports, and new theme received approval.

e. Committee accepted the Planning Committee recommendation that PAMS III theme be "Operations Planning and Management." Subject to approval of the Philippine Government, PAMS IV theme would be "Insurgency." Committee agreed to exclude contingency planning or general war planning in discussing Operations Planning and Management.

f. Committee agreed that the invitation message from the host country should indicate requirement to send an appropriate number of attendees to insure coverage of the theme and provide continuity between seminars.

2 Incl

1. Direct Costs for PAMS I and PAMS II
2. Draft Proposal for Co-Hosting the Pacific Armies Management Seminar

DIRECT COSTS FOR PAMS I AND PAMS II

	<u>PAMS I</u>	<u>PAMS II</u>
<u>LABOR</u> (note 1)		
Temporary hire secretaries	\$2,080	\$ 0
Overtime pay	738	280
<u>PRINTING</u> (note 2)	1,498	1,500 (est.)
<u>GRAPHICS</u> (note 3)	475	450
<u>FACILITY RENTAL</u>	600	750
<u>SUPPLIES</u>		
Photographic (note 4)	1,200	600
Seminar materials	500	500
<u>COMPUTER SERVICES</u>	400	400
<u>REFRESHMENTS</u> (note 5)	300	300
<u>SOCIALS</u> (note 5)	600	600
<u>COORDINATION TRAVEL</u> (note 6)	1,704	900 (est.)
 TOTAL DIRECT COSTS	 \$9,095	 \$6,280

Note 1: Does not include salaries paid staff members working on PAMS prior to and after the Seminar (Protocol, Typist, Staff Officers).

Note 2: Includes only cost of paper. Labor cost not included.

Note 3: Includes Vugraph slides, name plates.

Note 4: Does not include photograph labor costs.

Note 5: Foreign officers only.

Note 6: Program development and coordination only. Does not include cost of Seminar Attendees travel.

Inclosure 1

DRAFT PROPOSAL FOR CO-HOSTING THE
PACIFIC ARMIES MANAGEMENT SEMINAR

1. Subject to final agreement by the respective parties, the following constitutes a proposal outlining the terms and conclusions under which a co-hosting arrangement for the Pacific Armies Management Seminar may be agreed upon.

2. This co-hosting proposal is envisioned to apply in either of two cases. In the first case, the US Army agrees to a co-hosting arrangement with another agreeable Army in that co-host's nation. In the second case, the US Army agrees to co-host subject seminar in Hawaii with another agreeable Army.

3. Following an agreement in principle to enter into a co-hosting arrangement, the following terms and conditions are proposed between the US Army and the co-hosting nation when the seminar is held outside Hawaii.

a. The US Army will provide the following:

(1) Use of US international communication services to conduct seminar business.

(2) The services of an officer to travel to the co-host nation to assist in the preparation and coordination of subject seminar. This assistance will commence prior to and continue after the conclusion of the seminar for a period that may be agreed to by both parties.

(3) Provide seminar co-chairman to assist chairman appointed by co-hosting nation.

(4) Such advice, assistance, and coordination as may reasonably be conducted from outside the seminar country in assisting the co-host nation to prepare and conduct subject seminar.

(5) Provide such local transportation, clerical or administrative personnel support as may be reasonably obtainable from US military organization in the co-host's nation.

(6) Provide printing service for pre-seminar materials that can be reasonably accomplished in Hawaii prior to the seminar and printing of post-seminar materials or reports that can be accomplished in Hawaii

(7) Provide for a social reception with co-host of an equal cost sharing basis at a mutually agreed cost.

b. Co-host nation will provide or perform the following:

(1) Provide a suitable seminar meeting site and facility.

(2) Provide the seminar Secretariat and perform the duties of the Secretariat except for those shared agreements contained in paragraphs 3a(2), (3), (4), (5), and (6).

(3) Provide the seminar chairman and develop the seminar program with the assistance cited in paragraph 3a.

(4) Provide necessary administrative services, refreshments, seminar materials and other appropriate social functions for seminar attendees in addition to reception referenced in paragraph 3a(7).

(5) Provide local transportation, day-to-day, seminar materials, photography, graphics, and local communication services not explicitly cited in paragraphs 3a(1) thru (7).

(6) Other services as required.

4. In the event an agreement is reached in principle between the US Army and another Army to co-host subject seminar in Hawaii, the following terms and conditions will apply:

a. US Army will provide and agrees to the following:

(1) US Army will provide a co-chairman and all services and facilities except those contained in paragraphs 4b(1), (2), and (3).

(2) Co-host nation may agree to accept greater responsibilities to the extent mutually agreeable by both parties.

b. Co-host nation will provide and agrees to the following:

(1) To provide the seminar chairman and assistance in preparing and coordinating seminar preparations similar to those contained in paragraphs 3a(2).

(2) To co-host a social reception on an equal cost sharing basis not to exceed a mutually agreeable cost similar to that described in paragraph 3a(7).

(3) Co-host may assume other responsibilities as may be agreeable to both parties.

5. In no case, does either nation agreeing to enter into a co-host arrangement agree to assume responsibility for other than local transportation. Travel costs from outside the boundaries of either

co-host is the responsibility of the participating nation.

6. Payment for living accommodations and meals will be the responsibility of the participating nations.

7. Following agreement in principle, co-hosts agree to meet at a mutually agreeable site to finalize co-hosting agreement.

8. Invitations to attend subject seminar developed and conducted during the period of a co-hosting agreement will be issued jointly and with the full agreement of each party.

PACIFIC ARMIES MANAGEMENT SEMINAR - II

16 - 20 April 1979

SECRETARIAT

Col Nolan M. SIGLER, USA, Seminar Chairman

LTC Sidney E. LANDRUM, USA, Agenda/Program

LTC Frederick L. WILMOTH, USA, Administration/Support

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